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Holbrooke, In Bosnia, Warns Serbs On Threats

Retaliation on Moves To Arrest Karadzic Won't Be Tolerated

By John Pomfret
Washington Post Service

SARAJEVO, Bosnia-Herzegovina — Richard C. Holbrooke, the man who hammered out the Dayton peace deal to end the worst conflict in Europe since World War II, returned to the Balkans Tuesday to help save the peace accord.

Widely seen as the only diplomat sufficiently wily, tenacious and sharp to outwit the Balkan strongmen and forge unity among the United States and its allies, Mr. Holbrooke was summoned from his job as a Wall Street investment banker to focus on a main problem blocking implementation of the accords — indicted war criminals, the Bosnian Serb leader Radovan Karadzic and his military chief, General Ratko Mladic.

[Responding to Bosnian Serb threats, Mr. Holbrooke and NATO both warned Tuesday against attacks on NATO or United Nations personnel in retaliation for any attempts to arrest Mr. Karadzic on war-crimes charges, the Associated Press reported from Sarajevo.

["If they take any action against IFOR, they'll be met with swift military action," Mr. Holbrooke said, alluding to the Serbian threats to move against the NATO-led International Force, or IFOR, if it tried to arrest Mr. Karadzic.

[Lieutenant Colonel Max Marriner, a spokesman for the 50,000-member NATO-led peace force, warned the Serbs against any such move.

["We've listened to the threats," he said. "In return, the message going back is, don't try messing" with either the UN police or the NATO troops.

["We have a very strong mandate," he said, but he declined to specify how NATO might react to Serb attacks.]

Mr. Holbrooke, arriving at Sarajevo airport, said, "We are here because we are not satisfied with the degree of compliance that we are seeing, particularly on the part of the Bosnian Serbs."

Under the Dayton deal, the pair were supposed to have been handed over to

See BOSNIA, Page 7.

Agence France-Presse

Dealers gesturing during heavy trading Tuesday at the London International Financial Futures Exchange.

Market's Big Casualty: The Dollar

Wall Street's Wild Seesaw Also Pulls Down Global Stocks

By Lawrence Malkin
International Herald Tribune

NEW YORK — A nervous and volatile stock market sent U.S. blue chips plunging Tuesday to their lowest level in more than half a year, pushing the dollar into its steepest dive in months.

The Dow Jones industrial average recovered its losses late in the day, rising 50 points near the end of the afternoon session to finish at 5,358.76, up 9.25 points for the day. Trading volume of 680 million shares set a record on the New York Stock Exchange, exceeding the previous high of 652.8 million achieved Dec. 15.

Better-than-expected earnings by Eastman Kodak and Caterpillar eased growing fears about corporate profits. After trading ended, Intel Corp. reported record earnings, providing some unexpected good news from the beleaguered technology sector.

Nevertheless, investors' concerns that the stream of record earnings may be drying up have cast a gloom that has brought an end to Wall Street's longest bull market since the 1960s.

Dow Jones	Trib Index
Up 9.25	Down 0.46%
5358.76	133.14

The Dollar

New York,	Tues. close	previous close
DM	1.4855	1.5158
Pound	1.5585	1.5523
Yen	109.45	110.275
FF	5.0285	5.135

The Dow industrials, after losing 161 points Monday, fell about 167 more by early Tuesday afternoon, giving up almost all of the year's gains before rising just before the close. It was the fourth time this month that the average has fallen more than 100 points.

The Nasdaq Stock Market's main index, reflecting many high-technology stocks, finished at 1,051.59, off 8.60, wiping out its gains for 1996.

The turmoil in the U.S. stock markets cascaded into the currency markets, forcing the dollar into its steepest dive in months. (Page 15)

In Europe, stocks lost their stoicism, tumbling sharply in Britain and across the Continent in response to the turbulence in New York. (Page 15) Asian markets followed Wall Street lower, but traders were heartened that the declines were limited. (Page 20)

Switching between positive and negative territory throughout the day, the Dow rose 45 points in the morning, then dropped at midday to 166 points below Monday's close.

In the afternoon, the panic selling abated, and buyers came in looking for bargains, the first time this has happened to this degree since last week's sharp plunge, which was touched off by technology stocks.

Wall Street's woes hit the dollar on the assumption by traders that the Federal Reserve Board would be unlikely to upset the financial markets by raising rates at such a delicate time. Alan Greenspan, chairman of the Federal Reserve Board, will outline the central

See MARKETS, Page 9

Clinton Postpones Disputed Provision Of Anti-Cuba Law

Europeans Relieved at Delay Of 6 Months in Filing Lawsuits

By John F. Harris
Washington Post Service

WASHINGTON — President Bill Clinton decided Tuesday that averting a confrontation with U.S. trading partners was more important than imposing sanctions on foreign firms operating in Cuba.

He delayed by six months the effective start of a new law that makes overseas businesses vulnerable to lawsuits in federal courts.

Under the recently enacted Helms-Burton law, which Mr. Clinton signed last year under heavy congressional pressure to get tougher with Fidel Castro's regime in Havana, the administration faced an agonizing choice.

Republicans, backed up by the politically potent Cuban-American communities in Florida and New Jersey, have been demanding that the U.S. president let the law go fully into effect.

U.S. allies, including Canada and the nations of the European Union, have protested that the legislation violates international law and were demanding that Mr. Clinton waive its implementation.

After what White House aides described as agonizing deliberations, Mr. Clinton tried to offer something to both sides. He let the Title III provisions of Helms-Burton become law. That means that U.S. citizens whose land, buildings, or machinery was seized during the Cuban revolution in 1959 have legal grievances under U.S. law against the foreign firms who are now using their property.

But Mr. Clinton ruled that people will not be able to file lawsuits for compensation on their lost property for at least another six months. This delay, he said, would allow for six months of diplomacy to see if he can persuade U.S. allies to take new steps — ones they have avoided so far — to isolate and punish the Cuban government.

"At the end of that period I will determine whether to end the suspension, in whole or in part," he said, "based upon whether others have joined us in promoting democracy in Cuba."

■ Clinton Foes React With Anger

Predictably, U.S. allies in Europe reacted with relief, and Mr. Clinton's political foes at home responded with derision and anger, news agencies reported.

"It is a welcome step," said a spokesman for the Irish presidency of the EU. "We always want to have a good trading relationship between ourselves and the United States and this is something that is obviously in the interests of that."

But Senator Jesse Helms, the North Carolina Republican who was a sponsor of the legislation, said, "The truth is Mr. Clinton has capitulated to Fidel Castro and his foreign business collaborators, who not only condone Castro's cruel dictatorship, but want to help it flourish."

U.S. allies in Europe, Canada and elsewhere had complained that the provision could prompt a deluge of lawsuits against their companies and had threatened to retaliate. Because of the six-month delay before Title III goes into effect, however, the issue will be back on the president's desk in mid-January. This means the president would then be able to render meaningless the Feb. 1 deadline.

Officials said Mr. Clinton will try to

European officials express relief at the delay of sanctions. Page 9.

See CLINTON, Page 9

Yeltsin, Pale But Joking, Meets Gore Near Moscow

By David Hoffman
Washington Post Service

MOSCOW — President Boris N. Yeltsin, looking stiff and pale, met Tuesday with Vice President Al Gore, who said the Kremlin leader "looked very good to me."

Mr. Yeltsin postponed at the last minute a meeting with Mr. Gore the day before.

Tuesday, he received the U.S. vice president at a government resort outside Moscow, where aides said he had gone to rest from exhaustion during the presidential campaign.

Mr. Yeltsin's sudden disappearance triggered renewed speculation about the health of the president, who is 65.

Mr. Gore urged the Russian leader to abide by a cease-fire with the insurgents in Chechnya, but violence in the Caucasian republic erupted anew as Russian troops killed 13 unarmed civilians in what witnesses described as a nighttime massacre.

In reports on Russian television Tuesday night, President Yeltsin looked alert and was seen joking with Vice President Gore.

But a Reuters news correspondent, Laurence McQuillan, who was one of two reporters to accompany Mr. Gore at the beginning of the meeting, said Mr. Yeltsin appeared to be stiff and had difficulty walking.

According to Mr. McQuillan, Mr. Yeltsin, after several minutes of waiting for Mr. Gore, turned and slowly "started shuffling gingerly across the room, going about 10 feet, turning around and retracing his steps."

"His head staring at the floor, Yeltsin was clearly concentrating intently on walking — perhaps in hopes of keeping his muscles from freezing up," the reporter added.

"The scene was shocking for someone who had seen the Russian leader at the Kremlin in April during a visit by U.S. President Bill Clinton," McQuillan wrote. "Then Yeltsin was full of vim and vigor, confidently joking and showing no sign of physical limitation. This time, his face was pale and he clearly had lost a considerable amount of weight."

Mr. McQuillan said that Mr. Gore "rushed quickly across the room to pump Yeltsin's hand, to avoid having the Russian leader walk too much towards him."

Vice President Gore congratulated President Yeltsin on his re-election and joked about the president's dancing to rock music at a campaign rally.

Mr. Yeltsin smiled broadly and replied, "You learn all kinds of things

See RUSSIA, Page 9

Rivals Fear Gates's Microsoft Seeks to Net the Web

By John Markoff
New York Times Service

NEW YORK — As a captain of industry and the richest man in America, Bill Gates has often been compared to industrial titans of the past.

Just as the railroad tycoons of the 1800s set the gauge for the nation's railroad tracks, Mr. Gates's Microsoft Corp. seems intent, its critics say, on the modern-day equivalent: controlling many of the basic technical specifications of the global Internet.

The result could be a rapid end to the furious pace of entrepreneurial innovation that has marked the Internet in recent years, critics say, just as hegemony of Microsoft's Windows software has often been blamed for limiting technical innovation in personal computing.

Lately, there has been much publicity for Microsoft's new-found focus on the Internet, starting with a speech last December in which Mr. Gates said his company would cooperatively "embrace and extend" industrywide Internet technical standards.

The public spotlight has focused on new software features and product release dates, as the company tries to catch up with Internet leaders like Netscape Communications Corp., maker of the Navigator browser for the World Wide Web, and Sun Microsystems Inc., whose Java software is designed to move computing power onto the network from the desktop. They have been seen as the biggest threat in years to Microsoft.

Netscape can sell an encryption program on the Internet. Page 15.

See GATES, Page 9

AGENDA

Israel to Ease West Bank and Gaza Closure

Israel announced Monday that it would ease the 19-week closure of the West Bank and Gaza Strip that has kept tens of thousands of Palestinian workers from their jobs and contributed to economic strangulation of the territories.

Although no details were made public, the move was seen as the first concession of the rightist government of Prime Minister Benjamin Netanyahu to the Palestinian leader, Yasser Arafat, and to the Arab states championing the Palestinian cause. It was announced two days before he was due to fly to Egypt for talks on the peace process with President Hosni Mubarak.

In a surprise move Monday, Mr. Netanyahu met with the prime minister of Jordan, Abdel-Karim Kabariti, who earlier in the day had met with Mr. Mubarak. Jordan signed a peace accord with Israel in 1994. Page 9.

Mitchell Urges Ulster Talks Action

BELFAST (Reuters) — The U.S. chairman of stalled Northern Ireland peace talks urged participants Tuesday to get down to business and said failure would mean more violence.

"We have consulted with the participants to continue with the talks and to do so with a sense of urgency," said former Senator George J. Mitchell.

The Irish foreign minister, Dick Spring, said meanwhile that he would question British officials about the reversal of a police ban on a Protestant march. Page 5.

Sampras Drops Out

ATLANTA (AP) — Pete Sampras withdrew from the Atlanta Olympics on Tuesday, citing an Achilles' tendon injury. Steffi Graf also pulled out. Page 22.

The Associated Press

PAPAL HIKE — Pope John Paul II walking in northern Italy's Dolomite range this week. The pontiff is on a two-week vacation at the resort of Lorenzago di Cadore.

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Newsstand Prices

Andorra	10.00 FF	Lebanon	LL 3,000
Antilles	12.50 FF	Morocco	16 Dh
Cameroon	1,600 CFA	Qatar	10.00 Rials
Egypt	E£ 5	Réunion	12.50 FF
France	10.00 FF	Saudi Arabia	10.00 R.
Gabon	1100 CFA	Senegal	1,100 CFA
Greece	350 Dr.	Spain	225 PTAS
Italy	2,800 Lire	Tunisia	1,250 Din
Ivory Coast	1,250 CFA	U.A.E.	10.00 Dirh
Jordan	1,250 JD	U.S. Mil. (Eur.)	$1.20

Dole's Truest Allies Are Turning Still Bluer About His Prospects

By Adam Nagourney
New York Times Service

WASHINGTON — Bob Dole's run of difficulties has begun to stir concern among some of his most steadfast supporters, who are now worrying aloud that Mr. Dole has yet to find and articulate the central theme of his presidential campaign. They say they are also concerned that he has allowed himself to be tied up in tangential disputes that have cast him in an unfavorable light.

Mr. Dole's aides and some senior Republicans have complained privately for weeks about the pace and direction of the campaign. But on Monday, senior Republicans, including senators, governors, party chairmen and a former primary opponent who will campaign with him in the Midwest later this week, began speaking out openly in unusual, if measured, criticism of their party's likely presidential nominee.

They all said they were confident that Mr. Dole had time to recover. But that so many are worrying out loud about the candidate is the starkest sign yet of the concern that is beginning to grip the party a month before its nominating convention in San Diego. The degrees of criticism varied, but there was a common theme: that Mr. Dole had yet to take charge of his campaign, and allowed himself to be dominated by the Democrats, battling wings within his party, and the news media.

"I'm concerned there hasn't been a disciplined, positive vision of the future of the country," Governor George Pataki of New York said in an interview from Albany. "I don't think you can be reacting to questions all the time that Clinton and the press try to sidetrack you with. You have to be committed to a vision. I think he has the ability to do that, but it hasn't happened yet."

Former Governor Lamar Alexander of Tennessee, who plans to campaign with his onetime rival through the Midwest later this week, said he was worried that Mr. Dole had not taken advantage of the time since he resigned from the Senate last month.

"The campaign still hasn't found its footing."

Most Americans believe Dole can't win in November, a poll finds. Page 3.

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An Agribusiness Giant / **Huge Deals and High Connections**

The Troubles of the Man Who Knows Everybody

By Peter Carlson
Washington Post Service

DECATUR, Illinois — Here he is, chatting with Ronald Reagan right outside this building. And here he is, standing in about the same spot with Mikhail Gorbachev. And that's him in the White House with Hillary Clinton. And in the Oval Office with Mr. Reagan, a picture snapped right at the moment when he was telling his friend Ron that his friend Mikhail was indeed a practicing Christian — a revelation that led, he says, directly to the summit at Reykjavik.

Dwayne O. Andreas is giving a guided tour of the photos on the walls of his office. It's a big L-shaped room in the corporate headquarters of

First of two articles.

Archer Daniels Midland Co., or ADM, the colossal agribusiness corporation that Mr. Andreas has run for more than a quarter-century, generating huge profits and much controversy.

Mr. Andreas, 78, short and slim, is wearing a gray suit, a light-blue tie with a pearl tie tack, and a bright gold watch. He has a deep tan that he keeps fresh with trips to his Florida condo, where he likes to lounge at the pool with his friends Bob Dole, Bob Strauss and David Brinkley and where he once entertained his friend Boris Yeltsin.

"Isn't that a beauty?" he said, picking a bust of Mr. Reagan off a long wooden table full of mementos. "I had that made. We have a statue of Reagan in front of this building, and I had him copy that." He goes through the other items on the table and picks up a big coffee table book on the Russian space program.

"Gorbachev gave this to me," he said. He thumbs through it, looking at pictures of cosmonauts and rockets, which reminds him that he and his old friend Hubert Humphrey were in Russia, meeting with Nikita Khrushchev, when the Soviets shot off a Sputnik back in the '50s. After that, he says, he and Mr. Humphrey flew to Yugoslavia, where they stayed up into the early hours talking to Tito, who gave Mr. Andreas the brightly colored painting of farm women on the wall across the room.

HE MOVES ON down the table, past plaques and certificates and awards, and he picks up a framed photograph of an Israeli monument to Mr. Humphrey — "Established with the Support of Dwayne and Inez Andreas," the sign reads. "It's in Jerusalem," he said. "They sent me this picture. I don't think I ever — no, I think I did see it one time. I was there with Steve Forbes."

He points to a big, blown-up photograph of his friend George Bush sitting on some boulders with his friend Brian Mulroney, then the prime minister of Canada and now a member of the ADM board of directors. It reminds him of a story. Like so many of Mr. Andreas's stories, it involves huge deals, high connections and his own legendary shrewdness.

Stephen Warmowski/Herald & Review (Decatur, Illinois)

Brian Mulroney, Canada's former prime minister and now a director of the agribusiness giant ADM, and Dwayne O. Andreas, the company chairman.

"Mulroney asked me, 'Gorbachev is coming, what shall I do?' And I said, 'Offer him — before he asks you for it — offer him 500,000 tons of wheat on credit. That way, he doesn't appear to be a beggar. I know him, he's going to ask you for that.' And he said, 'Don't you think I ought to call George Bush first?' And I said, 'No. He'll say don't do it. What you do is, you give it to [Gorbachev] and you call [Bush] the next morning and tell him you did it.' " He smiles. "It's always better to apologize than it is to ask permission."

Dwayne Andreas knows everybody. He's like Zelig, the Woody Allen character who keeps popping up in newsreels with movers and shakers. Except that Zelig was a nobody and Mr. Andreas is a major mover and shaker. Harry Truman once sent him to Argentina to cut a deal with Juan and Evita Peron. He chatted with Stalin, then sold the Soviets 150,000 tons of vegetable oil. He touted Franco on the glories of soybean oil. He took Castro to dinner in New York. LBJ called him down to his ranch. He bought Jimmy Carter's peanut warehouse. He rode on Air Force One with his friend Bill Clinton to the funeral of his friend Richard Nixon. He sold his friends Bob and Liddy Dole a condo in the high-rise in Bal Harbor, Florida.

He is famous for his political contributions. He has given hundreds of thousands of dollars himself and raised much more from his family and his company and its executives — a total of more than $4 million over the last 30 years. In 1972, his secret (and legal) $25,000 contribution to Nixon's campaign ended up in the bank account of a Watergate burglar, providing reporters with the first link between the burglars and Mr. Nixon's aides. But he is not a Republican. Nor is he a Democrat. He is utterly bipartisan, completely nonideological. Mr. Andreas says he donates all this money because it's his civic duty: "I just consider it a part of good citizenship."

CLEARLY, the man relishes the photos on his wall, and the stories behind them. Others have questioned what else he may have accrued through good citizenship. For such a nonideological guy, Mr. Andreas has drawn criticism from almost every direction. The conservative National Review once called him a "modern robber baron." The libertarian Cato Institute called him America's "most prominent recipient of corporate welfare." The left-leaning Mother Jones said simply: "Dwayne Orville Andreas runs the world."

Mr. Andreas says ADM would be better off if the government left farming to farmers and got out of his way. He says this even though he acknowledges that just two federal programs, a tax subsidy for ethanol and price supports for sugar, help ADM earn hundreds of millions of dollars in profits every year; by one estimate, about 40 percent of ADM's bottom line.

But Mr. Andreas never lets the press attacks bother him. He rarely responds. Why should he? While his critics squawk, ADM grows ever larger — from $2.8 billion in sales in 1980 to $12.7 billion in 1995. For Dwayne Andreas, things have always gotten better and better.

Until June 27, 1995.

THAT NIGHT, FBI agents raided ADM's headquarters, looking for evidence that its officials conspired with competitors to fix commodity prices. Mr. Andreas learned that one of his top executives, Mark Whitacre, had been an FBI mole, taping hundreds of high-level conversations, including some with the chairman and many with his 47-year-old son and heir apparent, Michael D. (Mick) Andreas. ADM denied wrongdoing and promptly fired Mr. Whitacre, alleging that he had stolen millions from the company by transfers to offshore accounts. Mr. Whitacre acknowledged taking more than $6 million, but said the payments were part of ADM's standard method of giving honchos secret bonuses.

Thus far, no indictments have been issued, but at least four grand juries are investigating. Dozens of lawsuits have been brought against ADM by angry stockholders and by customers of the commodities whose prices, they allege, were fixed. In April, ADM agreed to pay $25 million to settle one customer suit. More are pending.

Dwayne Andreas says that none of this bothers him a bit. But how could it not? His reputation has been besmirched, his legacy is in jeopardy and his son is being investigated by the Justice Department — all at a time when his friend Bob Dole is running for president.

Meanwhile, he is getting bizarre faxes from a group calling itself the ADM Shareholder Watch Committee. The faxes are signed with the same pen name, "The Lamet Vov," a Hebrew phrase that refers to the righteous:

"Dwayne, relinquish the reins and jump from the chariot as you can't control the horses anymore."

"Dwayne, you are the turkey, the government has your files, and the FBI has been recording your crime family for three years."

"Dwayne, we hear you are in Bal Harbor. You do not need a change of climate, you need a change of soul."

TOMORROW: ADM's chief accuser.

U.S. Falters In Blocking UN Leader

Move to Bar 2d Term Fails to Gain Support

By Barbara Crossette
New York Times Service

UNITED NATIONS, New York — Nearly a month after deciding to block a second five-year term at the United Nations for Secretary-General Boutros Boutros Ghali, the Clinton administration has received no pledges of support for its position from any of the other 14 Security Council members, diplomats say.

On the other hand, China, the Arab nations, and African leaders — with a few dissents — have endorsed the candidacy of Mr. Boutros Ghali, whose term ends Dec. 31.

Egypt, Mr. Boutros Ghali's country and a member of both Arab and African blocs, holds one of 10 two-year council seats. Botswana and Guinea-Bissau, the other current African members of the council, did not openly oppose a decision by the Organization of African Unity to endorse the secretary-general.

Diplomats from most governments holding council seats said they hoped to avoid a confrontation over the issue until after the American elections in November. There is a strong feeling at the United Nations that the American decision, regarded as a political tactic, can be reversed or compromised if President Bill Clinton wins and the Republicans are weakened in Congress. The secretary-general would then be seen as less of a political liability.

If a Republican were to win the presidency, a new administration would be deciding whom the United States will support for secretary-general. Diplomats say that either way it is futile to focus on this contest now.

But the Clinton administration, which has said it will not change its policy and has threatened to use its council veto to stop Mr. Boutros Ghali's re-election, is taking its campaign on the road, pressing other governments to refrain from backing the secretary-general. Madeleine K. Albright, the U.S. delegate to the UN, raised the issue on a recent trip to Eastern Europe.

The South Korean government, another council member, has also been approached by American diplomats in Seoul. Other nonpermanent council members this year are Chile, Germany, Honduras, Indonesia, and Italy.

"It comes down to this," a diplomat said. "Who do we want as a friend, the president of the United States or Boutros Boutros Ghali?"

Except for China, the other permanent members of the council — Britain, France, and Russia — have been supportive of the secretary-general but noncommittal, although the French say President Jacques Chirac has come closest to public backing in recent statements. Europeans say there is no doubt Mr. Boutros Ghali would have been re-elected if the Clinton administration had not opposed him.

Prosecutors to Seek Antitrust Indictments Against the 'Supermarket to the World'

By Sharon Walsh
Washington Post Service

WASHINGTON — Federal prosecutors are preparing to seek criminal indictments of Archer Daniels Midland Co. and three of the abribusiness giant's current or former executives on charges of fixing prices in the global market for the food additive lysine, according to sources close to the investigation.

The former executive whom the government plans to indict, perhaps as early as September, is Mark Whitacre, who acted as an informant for the FBI for two and a half years while he also was head of ADM's BioProducts Division, the sources said.

The government also plans to seek indictments in September against the company's vice chairman, Michael D. Andreas, son of the company's politically powerful chairman, Dwayne O. Andreas, and Terrance S. Wilson, head of ADM's Corn Processing Division, the sources said.

Attorneys for the company, based in Decatur, Illinois, did not return telephone calls Monday, and company officials were not available to comment, according to a spokeswoman. In the past, ADM has denied any wrongdoing.

ADM, a grain titan that bills itself as "Supermarket to the World," has been rocked by the antitrust investigation, which began more than a year ago when scores of FBI agents fanned out across Decatur to interview ADM officials and seize company records.

The investigation into suspected price-fixing in the multibillion-dollar markets has created problems for the Justice Department, including whether Mr. Whitacre, the government's intended chief witness, would be a credible witness.

Several former prosecutors said an indictment of Mr. Whitacre might actually enhance his credibility because the government could treat him as it would any other indicted co-conspirator and say that because of his participation in the crime, he was a reliable witness.

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TRAVEL UPDATE

U.S. Warns on Lebanon

WASHINGTON (AFP) — The State Department advised U.S. citizens Monday of the dangers of traveling to Lebanon, renewing a previous warning issued in September 1994.

"The situation in Lebanon is so dangerous that no U.S. citizen can be considered safe from terrorist acts," the statement said. "While all the known American hostages have been released, the organizations which abducted them continue to operate within the country," the warning said.

The statement said U.S. passports are not valid for travel to, in or through Lebanon unless special validation has been obtained.

The statement added that the U.S. Embassy in Beirut "cannot perform normal consular functions" due to security concerns and a lack of personnel and poor local telephone service.

According to a State Department official, the statement is a "standard bureaucratic update" that consists of periodically renewing warnings about risk nations.

Disneyland-SAS Deal

PARIS (AP) — Disneyland Paris and Scandinavian Airlines System have teamed up to offer packaged tours to the theme park, Euro Disney said Tuesday. Terms of the deal were not disclosed. The firm has similar agreements with British Airways and Iberia.

The agreement applies to flights from Sweden, Denmark, Norway, Finland and the Baltic countries to Disneyland Paris, Euro Disney said. The theme park is about 40 kilometers east of Paris.

A spokesman said the agreement was designed to cut the cost of travel to Disneyland Paris and integrate transportation prices in the overall cost of a trip. Euro Disney also said it planned an office in Copenhagen.

Many airlines have announced changes to their Wednesday timetable for departures and arrivals at Ben Gurion airport near Tel Aviv because of a planned general strike in Israel over the new government's austerity proposals. *(AFP)*

A Brazilian law banning smoking in public places and imposing strict regulations on cigarette advertisements went into effect Tuesday. The law bans smoking in government offices, bars, restaurants, hospitals, schools, libraries, theaters, buses, flights of less than one hour and offices where more than one person work. *(AP)*

WEATHER

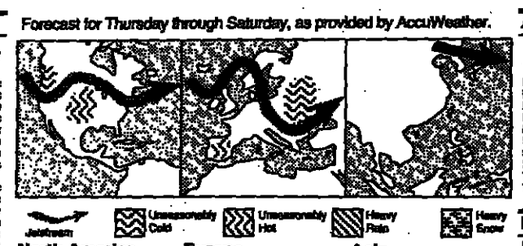
Europe

	Today High	Today Low	Tomorrow High	Tomorrow Low
	C/F	C/F	C/F	C/F
Algarve	25/77	18/64 pc	26/82	18/64 pc
Amsterdam	22/71	16/61 s	22/71	17/62 pc
Ankara	33/91	17/62 pc	33/91	17/62 pc
Athens	33/91	23/73 s	33/91	23/73 pc
Barcelona	27/80	22/71 s	28/82	22/71 pc
Belgrade	27/80	18/64 c	29/84	12/53 pc
Berlin	18/64	10/50 c	20/68	9/48 pc
Brussels	25/77	13/55 s	24/75	15/59 pc
Budapest	30/86	17/62 s	27/80	14/57 t
Copenhagen	21/70	9/48 pc	19/66	11/52 pc
Costa Del Sol	27/80	21/70 pc	28/82	21/70 pc
Dublin	22/71	14/57 s	23/73	14/57 pc
Edinburgh	17/62	14/57 c	19/66	14/57 pc
Florence	29/84	18/66 pc	30/86	16/61 pc
Frankfurt	24/75	11/52 pc	22/71	9/48 sh
Geneva	29/84	17/62 s	27/80	16/61 pc
Helsinki	17/62	11/52 sh	17/62	10/50 sh
Istanbul	29/84	18/64 pc	31/88	19/66 pc
Las Palmas	24/75	19/66 s	24/75	19/66 s
Lisbon	28/82	19/66 s	27/80	19/64 pc
London	19/66	11/52 s	24/75	13/61 pc
Madrid	33/91	18/64 s	33/91	17/62 pc
Majorca	28/79	22/73 s	27/80	22/71 pc
Milan	29/84	20/68 pc	30/86	17/62 pc
Moscow	27/80	13/55 s	21/70	10/50 pc
Munich	25/77	13/55 pc	22/71	10/50 pc
Nice	29/79	21/70 c	28/82	19/66 pc
Oslo	14/57	6/43 pc	22/71	14/57 pc
Paris	24/75	13/55 pc	27/80	17/62 pc
Prague	29/79	11/52 s	29/79	9/48 t
Reykjavik	16/61	13/55 c	16/61	11/52 pc
Rome	31/88	18/64 s	31/88	17/62 pc
St. Petersburg	17/62	7/44 sh	17/62	8/43 sh
Stockholm	17/62	8/48 sh	18/64	11/52 sh
Strasbourg	31/88	14/57 s	25/77	13/55 pc
Tallinn	17/62	11/52 sh	17/62	11/52 sh
Venice	28/82	21/70 pc	28/82	17/62 pc
Vienna	27/80	14/57 s	22/71	11/52 pc
Warsaw	22/71	10/50 sh	18/64	7/44 sh
Zurich	29/84	14/57 s	29/78	13/55 pc

Oceania

Auckland	16/61	9/48 t	16/61	9/48 pc
Sydney	19/61	7/44 pc	17/62	10/50 pc

Forecast for Thursday through Saturday, as provided by AccuWeather.



Jetstream — Unseasonably Cold — Unseasonably Hot — Heavy Rain — Heavy Snow

North America
Blistering heat will sear the mid-section of the nation with temperatures hitting the 100-degree mark from Texas to Nebraska. The Pacific Northwest will be cool with clouds and showers. Thunderstorms may rumble through Washington D.C., Boston, New York and Philadelphia Friday.

Europe
Plenty of sunshine and continued warm through Saturday in London, Berlin, Paris and Amsterdam. Seville and Athens will have a few thunderstorms, but Madrid will be dry and hot. Moscow will be cool with showers possible. Cool with showers Thursday in Warsaw, then dry and turning warmer.

Asia
Tokyo and much of Japan will continue to have very warm and muggy weather with a thunderstorm now and then. Beijing will have near normal readings, but thunderstorms are likely. Hong Kong and Singapore will be hot and steamy with a stray thunderstorm possible each day.

Middle East

	Today High	Today Low	Tomorrow High	Tomorrow Low
	C/F	C/F	C/F	C/F
Abu Dhabi	39/97	32/89 pc	37/99	29/84 pc
Beirut	28/84	24/75 s	31/88	23/73 s
Cairo	34/93	23/73 pc	35/97	22/71 s
Damascus	38/100	18/64 s	33/91	17/62 s
Jerusalem	29/79	19/66 s	28/82	19/66 s
Luxor	41/106	23/73 s	43/109	24/75 s
Riyadh	39/102	27/80 s	36/100	24/75 s

Africa

	Today High	Today Low	Tomorrow High	Tomorrow Low
	C/F	C/F	C/F	C/F
Algiers	29/82	22/71 t	30/86	23/73 t
Cape Town	11/52	2/35 pc	17/62	8/46 s
Casablanca	19/66	10/50 s	21/70	17/62 pc
Harare	24/75	10/50 pc	25/77	12/53 pc
Lagos	29/82	23/73 pc	29/84	24/75 c
Nairobi	19/66	11/52 t	21/70	10/50 t
Tunis	29/82	18/64 s	31/88	20/68 s

Asia

	Today High	Today Low	Tomorrow High	Tomorrow Low
	C/F	C/F	C/F	C/F
Bangkok	33/91	25/77 pc	34/93	25/77 pc
Beijing	31/88	24/75 t	29/84	23/73 t
Hong Kong	33/91	28/79 pc	31/88	28/79 pc
Manila	32/89	24/75 pc	32/89	25/77 c
New Delhi	37/99	29/84 pc	38/100	29/84 pc
Seoul	28/79	20/68 sh	29/79	20/68 t
Shanghai	33/91	27/80 t	33/91	27/80 pc
Singapore	31/88	24/75 t	32/89	23/73 c
Taipei	34/93	24/75 pc	34/93	24/75 pc
Tokyo	30/86	23/73 sh	29/84	23/73 pc

Latin America

Buenos Aires	13/55	5/41 pc	12/53	5/41 pc
Caracas	31/88	24/75 pc	31/88	25/77 pc
Lima	18/64	19/61 c	19/66	19/61 pc
Mexico City	24/75	12/53 t	23/73	12/53 t
Rio de Janeiro	25/77	19/64 pc	26/77	19/64 pc
Santiago	15/59	6/43 pc	15/61	4/39 pc

North America

Anchorage	23/73	13/55 pc	22/71	11/52 pc
Atlanta	32/89	23/73 pc	32/89	22/71 t
Boston	31/88	21/70 pc	30/86	19/66 pc
Chicago	30/86	20/68 s	30/86	21/70 pc
Dallas	39/97	23/73 s	39/100	24/75 s
Denver	33/91	15/59 pc	33/91	16/61 s
Detroit	30/86	18/64 pc	28/84	19/66 pc
Honolulu	31/88	23/71 pc	31/88	24/75 pc
Houston	36/97	24/75 pc	35/97	24/75 pc
Los Angeles	28/82	17/62 pc	31/88	18/64 pc
Miami	32/89	26/79 t	32/89	26/79 t
Minneapolis	31/88	18/66 s	28/82	21/70 pc
Montreal	26/79	13/55 pc	27/80	13/55 pc
Nassau	31/88	27/77 pc	32/89	25/77 pc
New York	31/88	23/71 pc	31/88	23/73 s
Phoenix	37/99	28/82 t	41/106	33/91 t
San Fran.	22/71	13/55 pc	22/71	14/57 c
Seattle	23/73	13/55 pc	20/68	12/53 c
Toronto	27/80	15/59 sh	27/80	16/61 pc
Vancouver	19/66	11/52 sh	20/68	9/48 c
Washington	33/91	23/73 s	32/89	23/73 s

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, I-ice, W-Weather. All maps, forecasts and data provided by AccuWeather, Inc. © 1996

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Antigua Ω+(pay phones)	1-800-366-4663	Finland +	9800-1-0284	Malaysia +	800-0016	Spain	900-99-0013
Argentina	001-800-777-1111	France +	19◆0087	Mexico +	95-800-877-8000	Sweden +	020-799-011
Armenia	8-10-155	Gambia	00155	Micronesia +	555	Switzerland +	155-9777
Aruba Ω	800-8870	Germany +	0130-0013	Monaco +	19◆0087	Syrian Arab Republic ++	0888
Australia (Optus)	1-800-5311-10	Ghana	019900	Netherlands +	06-022-9119	Taiwan	0080-14-0877
Australia (Telstra)	1-800-881-877	Greece +	008-001-611	Netherlands Antilles ★		Thailand	001-999-13-877
Austria +	022-903-014	Guam	950-1366	(Curacao & Bonaire)+	001-800-745-1111	Turkey +	00-800-1-4477
Bahamas +	1-800-389-2111	Guatemala +	195	New Zealand	0-800-760-877	Ukraine	8-100-15
Bahrain	800-777	Honduras ▲	121	Nicaragua (Managua)	171	United Arab Emirates +	800-131
Barbados ++	1-800-534-0042	Hong Kong	800-1877	Nicaragua (all other)	02-171	United Kingdom (BT)	0800-89-0877
Belgium +	0800-10014	Hungary +	00◆800-01-877	Norway +	800-19877	United Kingdom (Mercury)	0500-89-0877
Belize [hotels]	556	Iceland ++	800-9003	Palau +	02-222	Uruguay	000417
Belize [all other] ◇	812	India +	000-127	Panama	115	U.S.A.	1-800-877-8000
Bermuda ★	1-800-623-0877	Indonesia (Indosat)	001-801-15	Paraguay ▲	008-12-800	U.S. Virgin Islands	1-800-877-8000
Bolivia	0800-3333	Indonesia (Satelindo)	008-801-15	Peru	176	Vatican City +	172-1877
Brazil	000-8016	Ireland +	1-800-55-2001	Philippines (ETPI) ◇ ·	105-01	Venezuela	800-1111-0
British Virgin Islands	1-800-877-8000	Israel +	177-102-2727	Philippines (PhilCom) ▲	102-611	Vietnam (calling centers)	1201-1111
Bulgaria ▲	00-800-1010	Italy +	172-1877	Philippines (PLDT)	105-16		
Canada	1-800-877-8000	Jamaica [hotels]	875	Poland +	00-800-111-1115		
Cayman Islands	1-800-366-4663	Jamaica Ω	5	Portugal +	05017-1-877		
Chile	00◆0317	Japan (IDC) +	0066-55-877	Puerto Rico	1-800-877-8000		
China +	108-13	Japan (KDD) +	0039-131	Qatar	0800-01-777		
Colombia	980-13-0810	Jordan	18-800-777	Romania +	01-800-0877		
Costa Rica +	0800-013-0123	Kenya ★	0800-12	Russia (Moscow) +	155-6133		
Croatia +	99-385-0113	Korea (Dacom) +	0039-13	Russia (all other) +.	8095-155-6133		
Cyprus ++	080-900-01	Korea (KT) +◆◆	009-16	St. Lucia ◇★	1-800-277-2468		
Czech Republic +	0042-087-187	Korea (Dacom) +‡	550-2425	Saipan (Tinian & Rota) +	1-233-0333		
Denmark +	800-1-0877	Korea (KT) +‡	550-2668	Saipan (all other)	233-0333		
Dominican Republic +▲	1-800-751-7877	Kuwait	800-777	San Marino +	172-1877		
Ecuador	999-171	Liechtenstein +	155-9777	Saudi Arabia	1800-15		
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THE AMERICAS

As Dole Stumbles, a Poll Brings Clinton Even More Good News

By R. W. Apple Jr.
New York Times Service

WASHINGTON — The presidential campaign of Bob Dole has stumbled along so badly that 7 in 10 Americans — and nearly half of those who say they plan to vote for Mr. Dole in November — expect him to lose to President Bill Clinton.

That is one of the more intriguing findings of a New York Times/CBS News Poll, taken last Thursday, Friday and Saturday. It suggests that Mr. Dole's persistent troubles are beginning to affect Republican morale. A total of 979 people, 743 of them registered voters, were interviewed in the poll, which had a sampling error of plus or minus 3 percentage points.

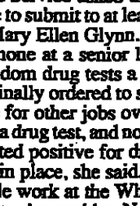
If large numbers of Republicans become convinced that Mr. Dole has no chance, many might stay home, hurting the party's chances in contests for the House and Senate.

As it is, the poll showed that 44 percent of all voters would choose a Democratic candidate if the election were held now, compared with 41 percent who would choose a Republican. That indicates a close contest for control of the House, which the Republicans seized in 1994.

The poll had almost nothing but good news for Mr. Clinton. It showed him running 20 percentage points ahead of Mr. Dole — 54 to 34 — in a two-way race, and 22 percentage points ahead of the Republican when Ross Perot was included as the nominee of his Reform Party.

The figures in the latter case were 49 percent for Mr. Clinton, 27 percent for Mr. Dole and 16 percent for Mr. Perot.

Four years ago, Mr. Perot got 19 percent of the vote. He has been relatively inactive lately, until his somewhat vague announcement last week about a candidacy, but it appears that he is within striking distance of his old level of support.



In the same week the poll was being taken, Richard Lamm, former governor of Colorado, said that he would seek the Reform Party nomination.

If he chanced to beat Mr. Perot, which is considered highly unlikely, the poll indicated that he would hurt Mr. Clinton more than Mr. Dole. With Mr. Lamm, a Democrat, in the race, the figures were 49 percent for the president, 34 percent for Mr. Dole and 5 percent for Mr. Lamm. For the first time since he took office, Mr. Clinton's handling of the economy was rated favorably by more than half of the public; 51 percent said they approved of his performance in this area, a crucial element in presidential elections in the past, and 38 percent said they disapproved, with 11 percent expressing no view.

However, more people said the economy was worsening (27 percent) than said it was improving 16 percent). Should the stock market continue to slide, as it has in recent days, that perception could deepen and undermine the Clinton campaign.

Hillary Rodham Clinton's standing with the public is another potential danger for the high-flying president. Only 30 percent of the public in the latest Times/CBS Poll regards her favorably.

Presumably, Mrs. Clinton's standing has been hurt by recent disclosures in the Whitewater affair and associated matters. But such issues do not appear to be deciding the votes of very many people.

This is so even though Mr. Clinton gets very poor ratings on honesty and integrity, compared with Mr. Dole, and even though more than a third of all respondents (36 percent) believed the Clintons "did something wrong in connection with Whitewater."

A measure of Mr. Dole's deviation from the preoccupations of most voters was supplied by answers to the question, "As far as you know, are cigarettes addictive, or not?" Mr. Dole questioned whether they were, and has spent two weeks defending that position. In the poll, 92 percent said they were. Only 4 percent said they were not.

Republicans Try Again For Prayer In School

By Katharine Q. Seelye
New York Times Service

WASHINGTON — Congressional Republicans are reviving their efforts to bring a constitutional amendment for organized school prayer to a vote well before Election Day. While the amendment has long been a goal of House Republicans in particular, the new urgency appears to be, in part, an attempt to lift the sagging fortunes of Bob Dole, the likely Republican presidential nominee.

The House speaker, Newt Gingrich, and Dick Armey, the majority leader, have sent out word that the school prayer amendment is a priority. The House is expected to announce that hearings on the matter will begin next week, and the leaders hope that the proposal can move quickly through committee, with a floor vote well before the Nov. 5 election.

Ralph Reed, executive director of the Christian Coalition, said that as long as the measure is voted on by early September, his organization could include the results of how each member voted in the 45 million voter guides that it plans to mail to 100,000 churches in October.

The Republican-led Congress had long intended to advance such a measure, but the effort bogged down last fall when two competing amendments split conservatives.

The dispute over the language is still not resolved, and aides on Capitol Hill say an emotional battle is raging that could doom the effort altogether. One approach, offered by Representative Ernest Istook, Republican of Oklahoma, would explicitly allow "student-sponsored prayer in public schools."

The other, by Representative Henry J. Hyde, Republican of Illinois, and chairman of the Judiciary Committee, focuses more broadly on "religious freedoms," but supporters say it would allow for school prayer and could pave the way for school vouchers.

Despite the dispute, the measure is now on a "fast track." This is in part because the House leadership promised the religious right that it would move the measure a year ago. But some Republicans suggest it may also help Mr. Dole mend fences with conservatives after his varying comments on abortion and his statement that he might name an abortion-rights supporter as his vice-presidential running mate.

Mr. Reed said the matter could help Mr. Dole contrast himself with President Bill Clinton.

Mr. Clinton's signature would not be needed for an amendment, but he has already said that such an amendment is unnecessary because students can already engage in individual prayer.

POLITICAL NOTES

Dole Chooses Keynote Speaker, And She Backs Abortion Rights

WASHINGTON — Bob Dole has announced that Representative Susan Molinari, a New York City Republican who supports abortion rights, will be the keynote speaker at the Republican National Convention in August.

"She's dynamic, she's young, she's bright, she's articulate. She'll bring the Republican message all across the nation," Mr. Dole said of Ms. Molinari, the mother of a 2-month-old daughter and the wife of Representative Bill Paxon of Buffalo, New York.

Mr. Dole said in a CNN interview that the selection made a "big statement," both about abortion, an issue that has been bedeviling his campaign, and about women. Polls have showed his candidacy suffering from a gender gap, in which the vast majority of women have indicated a preference for President Bill Clinton. Whatever Ms. Molinari's moment in the San Diego spotlight this August does for her career — and as the last New Yorker to have that type of honor, former Governor Mario M. Cuomo, can attest, it can do quite a lot — the significance in her selection lies much more in what it promises to do for Mr. Dole. *(NYT)*

Ex-Governor Sorry He Stalled

LITTLE ROCK, Arkansas — Jim Guy Tucker apologized Tuesday for taking Arkansas to the brink of a constitutional crisis before finally resigning as governor, as he had said he would.

Governor Mike Huckabee's inauguration Monday was delayed nearly four hours as Mr. Tucker waffled about whether he should leave office because of his conviction on Whitewater-related charges or bet on winning his appeal. He quit only after then-Lieutenant Governor Huckabee threatened on statewide television to seek impeachment.

In a statement read by his spokeswoman, Max Parker, Mr. Tucker said it had been inconsiderate for him to change his mind about quitting.

"It sullied a day Mike and his supporters had spent weeks planning and had deserved to enjoy," Mr. Tucker said. He apologized both to Mr. Huckabee and to the people of his state. Mr. Tucker said he changed his mind at the last minute. *(AP)*

FBI Files Figure Must Testify

WASHINGTON — A Senate committee voted Tuesday to subpoena Anthony Marceca, a central figure in the White House FBI files affair, to compel him to testify and produce his computer disks and other documents.

Mr. Marceca earlier refused to appear before the Senate Judiciary Committee and in a letter invoked his Fifth Amendment privilege against incriminating himself by testifying. "That result is unacceptable," Senator Orrin G. Hatch, Republican of Utah, who is the committee chairman, said Tuesday.

Mr. Marceca, a temporary White House employee who collected hundreds of the files, failed to appear voluntarily at a June 28 hearing. Several senators suggested that Mr. Marceca was being made a scapegoat. *(AP)*

Quote/Unquote

Bob Dole, on the delay by the White House of an announcement on carrying out new sanctions against companies doing business in Cuba:

"President Clinton's continued indecision until the last possible moment demonstrates, once again, that this president is rudderless when it comes to standing up for American principles around the world. Allowing American citizens whose property was illegally stolen by the Castro regime to use American courts to seek justice is the right thing to do." *(AP)*

Drug Tests on Rise For Clinton Staff

By Tim Weiner
New York Times Service

WASHINGTON — The Secret Service stepped up drug testing on 21 White House staff members two years ago after they revealed they had experiences far more extensive than an experimental puff of marijuana in college, according to a White House spokeswoman.

In answers to questionnaires needed to obtain permanent White House passes, the staff members disclosed that they had smoked marijuana or taken stronger drugs at least once within the past year — or more frequently in years past.

The Bush administration imposed a random drug-testing policy at the White House in 1991, a policy that continues today. But the Secret Service asked the 21 employees of the Clinton White House to submit to at least two tests a year, said the spokeswoman, Mary Ellen Glynn.

Nine employees, none at a senior level, are undergoing a minimum of two random drug tests a year, she said. Twelve people of the 21 originally ordered to submit to the tests have left the White House for other jobs over the past three years, she said. None failed a drug test, and no member of the Clinton White House has tested positive for drug use in the random-testing program still in place, she said.

About 1,700 people work at the White House, from cooks and clerks to Mr. Clinton's top aides. None of those aides — 24 assistants to the president, 30 deputy assistants and 75 special assistants — were involved in the stepped-up drug tests.

The Associated Press first reported Monday the increased drug testing imposed by the Secret Service. The White House revealed the existence of the drug testing program last year, but no one seems to have taken much note. That disclosure came in written answers to questions posed by congressional Republicans and printed in the Congressional Record.

Those answers disclosed that the mandatory twice-a-year tests had been instituted for White House workers with "extensive and/or recent drug use found in their backgrounds." Their identities are protected by privacy laws.

Those backgrounds came to the attention of the Secret Service in 1993 and early 1994, as part of the fouled-up process that led to White House aides obtaining hundreds of FBI files that they had no right to see.

The new White House staff that came to Washington with Mr. Clinton in 1993 included people in their 20s and 30s who had, like many of their generation, at least a passing acquaintance with illegal drugs.

Greg Gibson/The Associated Press

HAPPY LANDING — The Clintons crossing the White House lawn after a helicopter brought them back from a weekend at Camp David.

Away From Politics

•Bombing survivors and victims' families can watch the trial of Terry Nichols and Timothy McVeigh on closed-circuit television in an Oklahoma City courtroom, a judge in Denver ruled. *(AP)*

• Michael Irvin, the Dallas Cowboys star, was sentenced to four years' deferred adjudication, a $10,000 fine and 800 hours of community service in Dallas on Tuesday, a day after he pleaded no contest to a felony cocaine-possession charge. If he has any run-ins with the law during the four years, he could face 20 years in prison. *(AP)*

• Blacks should pay more attention to exercise, said Dr. David Satcher, head of the federal Centers for Disease Control and Prevention. Research shows that exercise has a dramatic effect on blood pressure and that blacks exercise less. *(AP)*

• A man was arrested after he claimed responsibility for abandoning a truck with "bomb" scrawled on its bumper, sparking an evacuation of Seattle's central shopping district. *(AP)*

Miss America's Phone Number

Public to Get Chance to Call In Vote During Beauty Pageant

By Roxanne Roberts
Washington Post Service

WASHINGTON — For the first time since the pageant began, the American public will be allowed to vote for the next Miss America, pageant officials have announced.

Using 900-line telephone numbers, viewers will help select the five finalists during the live broadcast Sept. 14. The move follows last year's vote to retain the swimsuit competition, an idea that generated about a million phone calls.

"I think it's very exciting," said Susan Alexander, Miss Maryland 1996. "Miss America is a representative of the American people for a year, and it's only fair to give them a vote." The pageant's chief executive officer, Leonard Horn, said, "People are always saying to me, 'I wish I could have been a judge. I wouldn't have voted for her.' "

The 10 semifinalists will be announced at the beginning of the two-hour competition. Ten 900 phone numbers, one for each semifinalist, will be open for approximately an hour and a half. For 50 cents per call, fans can vote (once per phone number). Proceeds from the phone vote will go to the pageant's scholarship program.

Seven judges in Atlantic City, New Jersey, will also be voting for the five finalists. The public phone calls will serve as the "eighth judge," said Mr. Horn, and will count as one-eighth of the total.

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China Vows Big Cleanup Of Pollution

Industry and Vehicles Said to Spread Filth

Agence France-Presse

BEIJING — Prime Minister Li Peng has warned that China must act quickly to combat pollution, saying that the indifference of local officials toward environmental protection has been causing health problems and economic losses.

Great efforts are needed to "curb the deteriorating environmental trend by 2000," Mr. Li said Monday, attributing much of the damage to the "loose or inadequate" enforcement of laws by local officials.

Pollution is rapidly spreading from urban to rural areas, impeding economic development and endangering public health, the prime minister warned.

"There is a big gap between the current state of the environment and the targets" of cleanliness set by the government, he said.

Mr. Li made his comments in a speech at an environmental protection conference attended by a delegation from the United Nations Environment Program in Beijing.

Mr. Li said construction of cities should be controlled to prevent the destruction of precious farmland and to keep urban areas from disappearing under the air pollution produced by cars and factories.

In the heavily polluted southern boomtown of Guangzhou, officials have ordered vehicles to pass emission tests or face banishment from the roads, reports said.

More than half, or 51.3 percent, of Guangzhou's 768,000 vehicles failed emission tests this year. Under new rules issued last weekend, owners of new cars that twice failed emissions tests or older cars that failed once would be required to install exhaust filters.

Air quality in Guangzhou has seriously deteriorated in the last two decades and the city is usually blanketed by car exhaust. Guangzhou today has four times as many vehicles as it did in 1986.

In the last 18 months, China has slowly been acknowledging the sorry state of its environment. The government announced plans last week to spend $22.7 billion in the next five years to clean up the environment.

Prime Minister Li's comments come only a day after the State Statistics Bureau revealed that all seven of China's major rivers were polluted, with only 4 percent of the water in the northwest Songhuajiang and Liaohe rivers meeting "normal standards."

China has pledged to stop the growth of pollution by the year 2000 and to achieve significant improvements by 2010.

Bobby Yip/Reuters

An officer adjusting a Gurkha trooper's hat as the battalion prepared for the Chinese general's visit to Hong Kong on Tuesday.

Chinese General 'Reconnoiters' Hong Kong

The Associated Press

HONG KONG — The commander of the Chinese troops who will be garrisoned in Hong Kong began a three-day visit Tuesday to familiarize himself with the territory his forces will defend after China takes over in a year.

Major General Liu Zhenwu was the first senior Communist Chinese general ever to visit Hong Kong. One of China's toughest challenges in recovering Hong Kong next July 1 will be accustoming the colony to the Peoples' Liberation Army.

Many of Hong Kong's 6.3 million people are refugees or children of refugees who fled from Communist forces during the 1949 conquest of China. Their distrust of the army was heightened when it crushed the Tiananmen Square opposition protests in Beijing in 1989.

General Liu's arrival at the British Army headquarters in central Hong Kong's high-rise business district was held with traditional pomp and ceremony under blue skies, and offered a dramatic reminder of the approaching change of sovereignty.

An honor guard standing sharply at attention greeted General Liu as he emerged from a black limousine and marched up to shake the hand of Major General Bryan Dutton, the commander of the dwindling British garrison.

General Dutton guided General Liu through an inspection of the guard as a bagpipe-and-drum band in resplendent green-and-white uniforms played "Highland Cathedral," a traditional Scottish lament. They marched together into the freshly painted cream-colored Prince of Wales headquarters building for talks.

General Dutton paid a similar visit to China in May, and was told that China's garrison would be similar in size to Britain's before it began scaling down in preparation for the transfer — about 9,000 troops.

The British refused to provide details of General Liu's schedule, apparently to shelter him from the intense media interest in his visit. During his stay, he will inspect air force, army and naval stations.

Britain now has 3,250 military personnel in Hong Kong. The government says it will trim its force to fewer than 500 before the handover.

Tainted-Food Toll Climbs in Japan

Reuters

OSAKA, Japan — The toll of sick Japanese schoolchildren in a food-poisoning case passed the 4,000 mark Tuesday, as health workers scrambled to find ways to stop its increase.

Health officials in Osaka Prefecture in western Japan, where the outbreak began Friday, poured extra chlorine into swimming pools in an attempt to stamp out the spread of the bacteria responsible.

They also continued to spray disinfectants in classrooms in Sakai, Osaka Prefecture's second-largest city, where most of the victims live.

The food poisoning has sent more than 200 primary school children to hospitals with vomiting, diarrhea and fever.

The culprit is believed to be a strain of E. coli bacteria, which killed four children in smaller outbreaks in other parts of Japan earlier in the year.

Some detergent makers reported a jump in sales of soaps and bleaches that could kill the bacteria following the news of the food-poisoning outbreak.

Health officials suspect the outbreak was caused by school lunches of eel sushi and soup supplied on July 5 in Sakai. They plan to inspect the food processing center where the lunches were prepared to determine where and how the bacteria spread.

Takeshi Miyazaki, head of the city's Education Board, instructed supervisors of the city's 90 elementary schools to tighten sanitary precautions to prevent infections spreading from the affected children, officials said.

City officials also urged schools to be aware of the possible risk of infection through swimming pools and other school facilities.

Elementary schools in Sakai will remain closed until Wednesday, officials said.

Prime Minister Ryutaro Hashimoto called for preventive measures to be carried out immediately.

"This is an unprecedented and abnormal case," a government spokesman, Sadajiro Furukawa, told an emergency meeting of officials from the Education, Health and Agriculture ministries.

Health officials said the bacteria could stay dormant for a relatively long time before a patient began to suffer symptoms, which makes it difficult to determine the exact cause of the food poisoning.

BRIEFLY ASIA

Dalai Lama Urges Pressure on China

LONDON — The Dalai Lama called Tuesday for a concerted international effort to pressure China to improve human rights in Tibet and to start negotiations with his government in exile.

The 60-year-old Tibetan spiritual and political leader, speaking at a meeting of British parliamentarians at the Palace of Westminster in London, reaffirmed his commitment to non-violent resistance to Chinese authorities in Tibet.

"We need the governments of democratic countries to continue to urge the Chinese authorities to respect human rights in Tibet and to enter into serious negotiations with us," he said.

China attacked the decision to allow the Dalai Lama to address the Houses of Parliament. "It will bring about adverse effects to the Sino-British relations," said a Foreign Ministry spokesman in Beijing. *(Reuters)*

Pakistan Acts to Curb Child Labor

ISLAMABAD, Pakistan — Pakistan, faced with threats of trade sanctions, has ordered officials to raid factories that use child laborers, a government minister said Tuesday.

Labor Minister Ghulam Akbar Lasi said that he had ordered officials in the northeastern town of Sialkot, where sports goods such as footballs are made, to conduct raids and arrest contractors found employing children. *(Reuters)*

Burma Rejects Calls for Autopsy

JAKARTA — Burma rejected calls Tuesday for an independent autopsy on a friend of Daw Aung San Suu Kyi who died in prison last month, saying allowing it would compromise national sovereignty.

The Burmese Embassy in Jakarta said that the friend, an Anglo-Burmese businessman named James Leander Nichols, died in custody in June from a stroke and heart attack.

Mr. Nichols was sentenced in May to three years in jail for operating unauthorized telephones and fax machines. *(Reuters)*

For the Record

A rebel Afghan pilot defected to government forces on Tuesday with a MiG-21 jet fighter that landed at Bagram air base north of Kabul, a government commander said. If confirmed, it would be the first known defection of a Taleban militia pilot. *(Reuters)*

A former member of the doomsday cult Aum Shinrikyo was jailed Tuesday for 10 years for his role in a nerve-gas attack in Matsumoto, Japan. *(Reuters)*

Six Indian tourists were shot dead by unidentified gunmen in the state of Jammu and Kashmir while six others who had been held hostage were released, the police said Tuesday. *(Reuters)*

VOICES From Asia

Jiang Zemin, president of China, on links between economic development and protecting the environment: "We are willing to contribute positively toward helping protect the world environment, but we cannot take on a responsibility not fitting the level of development of our country." *(Reuters)*

Seiroku Kajiyama, the Japanese government's top spokesman, on the food poisoning that has sickened thousands of schoolchildren: "This is the issue that must be urgently resolved. We must probe the cause and work out necessary measures as quickly as possible." *(Reuters)*

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EUROPE

Ulster Talks Resume Under Cloud

Dublin Wants Answers to Why March Was Allowed

Reuters

BELFAST — Northern Ireland peace talks resumed in Belfast on Tuesday under the shadow of the worst unrest in the province for years and acrimony over charges that Britain and pro-British parties were responsible.

Foreign Minister Dick Spring of Ireland said he would put tough questions to Britain's Northern Ireland secretary, Sir Patrick Mayhew, over the reversal of a police ban on a Protestant Orange Order parade that triggered the violence.

John Alderdice, leader of the moderate Alliance party, suggested that David Trimble, leader of the main Protestant political party, had broken democratic principles of nonviolence to which all parties to the talks must subscribe.

He charged that Mr. Trimble, head of the pro-British Ulster Unionist Party (UUP) violated the principles by taking part in a showdown by thousands of Protestants that forced the police to reverse the ban and provoked Roman Catholic violence instead.

"The UUP has created huge problems for the fundamental basis for the talks," Mr. Alderdice said on arrival.

The charges were echoed by Seamus Mallen of the Catholic-backed Social Democratic and Labor Party. "Trimble led a mob to challenge the rule of law," he said.

Mr. Trimble, head of the most powerful party in the province, shook off such charges as "absolutely ludicrous, a point-scoring exercise." He said the march was an age-old birthright of the Protestant majority and should have been allowed from the start.

But he was also under attack for having met Billy Wright, a convicted Protestant guerrilla, during a standoff at Drumcree, near Portadown, where thousands of Orange marchers confronted police and troops.

Irish officials said Mr. Spring was also deeply troubled by reports of the meeting between Mr. Trimble and Mr. Wright, a convicted member of the Ulster Volunteer Force, which killed hundreds of Catholics to avenge attacks by Irish Republican Army guerrillas.

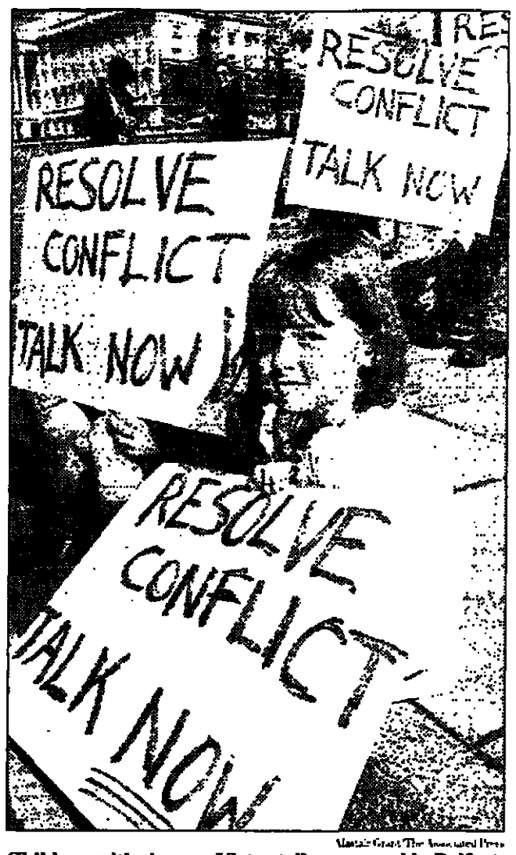
Mr. Trimble met Mr. Wright in a Drumcree church hall during the standoff and said he was trying to avert violence, not use or threaten it.

Portadown, from where the Orange Order march started, is an Ulster Volunteer Force stronghold.

British and Irish officials were expected to hold bilateral meetings with factions taking part in the talks throughout the day, and it was not known if there would be a session of all of them.

Sinn Fein, the political wing of IRA guerrillas fighting British rule of the province, demonstrated outside the Stormont Castle to protest its exclusion from the talks there. "Negotiations, not intimidation" and "Resolve conflict, talk now," read placards waved by 50 demonstrators led by Martin McGuinness, its chief negotiator.

The British and Irish government say Sinn Fein will only be permitted to take part when the IRA declares a new truce to replace a 17-month cease-fire it broke in February.



Martin Cleary/The Associated Press

Children with signs as Ulster talks resumed in Belfast.

Ciller Heads for Dublin for Talks on EU Ties

Agence France-Presse

ANKARA — Foreign Minister Tansu Ciller will fly to Ireland on Wednesday for a two-day visit, mainly to discuss ties between Turkey and the European Union, diplomats said Tuesday. She will meet with Foreign Minister Dick Spring and other senior Irish officials. Ireland holds the EU's six-monthly rotating presidency.

Mrs. Ciller and Mr. Spring will discuss developments since Turkey and the EU signed a customs union accord last year. Diplomats said she would assure Mr. Spring that there would be no changes in Turkey's pro-European foreign policy under the coalition government formed by her and the pro-Islamic prime minister, Necmettin Erbakan.

Weak Opposition Aids Kohl's Dream of Single Currency

By John Schmid
International Herald Tribune

FRANKFURT — As prospects appear to brighten that Europe can unite behind a common currency in 1999, some of the credit for the mood shift can go to Germany's foundering Social Democratic Party.

Try as they might, the opposition Social Democrats have been unable to block Chancellor Helmut Kohl, Europe's most ardent integrationist, from laying the groundwork for the launching of a single currency.

Without Mr. Kohl's passion or his sheer political weight, few believe anything as ambitious as monetary union is feasible.

The Social Democratic opposition to Mr. Kohl's austerity package, meant to make Germany fit to meet the project's fiscal benchmarks, has been feeble. The party is splintered by infighting and a chronic leadership crisis, rendering its opposition largely rhetorical and lending credence to the notion that currency union might begin on time — a prospect that was distant only six months ago. It is a sign of the opposition's weakness that Mr. Kohl has achieved his most impressive economic moves in his 14-year tenure with his thinnest parliamentary majority, four votes. Some Social Democrats this year have grumbled that the tiny Green party has mounted a livelier opposition.

Under their current chairman, Oskar Lafontaine, the Social Democrats have changed colors. While the former Social Democratic chancellor, Helmut Schmidt, helped write the blueprint for European currency union, Mr. Lafontaine's own party members do not understand his position on Europe, which has shifted several times this year.

NEWS ANALYSIS

In state elections in March, Mr. Lafontaine backed a delay in currency union, a strategy that backfired. The Social Democrats suffered their worst losses in Baden-Württemberg, where they lost their place in the coalition. Since then, Baden-Württemberg has become a political watershed, signaling that Germany's embrace of the Deutsche mark might be looser than perceived.

Using bond market yields as an indicator, financial markets evidently already expect a 1999 currency union of Germany, France, Austria and the Benelux nations.

One reason for the prevailing mood stems from low interest rates and robust exports and not from politicians. There are signs that Europe's economies have turned the corner after last winter's slump and are more likely to meet the economic criteria.

Perhaps more important, however, has been the show of political discipline in Germany and France to cut spending and deficits. Despite union opposition and the Social Democrats' strident warnings of a looming social breakdown, Mr. Kohl has won a series of legislative victories, succeeding in reducing entitlements such as early retirement and sick pay.

Earlier this month, the Social Democrats failed to rally their majority in the upper house of Parliament to block an unpopular law to liberalize German laws restricting the hours store can be open.

On Friday, the Social Democrats are expected to mount a vocal barrage against Mr. Kohl's austerity plan. But the maneuver can only hamper the changes with technical delays. Mr. Kohl's majority in the lower house can overturn any subsequent changes by reapproving the original legislation.

Dissent within the party is open and brutal. The conservative newspaper Die Welt is publishing a series under the banner "Social Democrats in Crisis" — with contributions written by party members themselves. "The SPD has missed the train," Klaus von Dohnanyi, a former party minister in Mr. Schmidt's government, wrote in the series.

But the entire landscape could change by the October 1998 national elections, when the economy is expected to be humming briskly, a factor that usually helps the Social Democrats. Germans vote conservative when the economy is weak but quickly switch sides when there are goodies to distribute.

BRIEFLY EUROPE

Protest Resignations in Ankara

ANKARA — Eight opponents of Foreign Minister Tansu Ciller of Turkey resigned Tuesday from her conservative True Path Party to protest her move to form a coalition government with the Islamists.

The resigning deputies include a former parliamentary speaker, Ismet Sezgin, former Foreign Minister Emre Gonensay and six other former ministers.

Mr. Sezgin, leader of the dissenters, said last week that Mrs. Ciller's partnership with the Islamists would hurt Turkish interests. *(AFP)*

Ukraine Chief's Car Is Bombed

KIEV — A bomb ripped through the car of Prime Minister Pavlo Lazarenko of Ukraine on Tuesday in what his office called an assassination attempt.

Mr. Lazarenko was treated for a slight shoulder injury, and two guards in an accompanying car also suffered slight injuries, officials said. The blast went off as the prime minister was on his way to the airport in northern Kiev.

A spokesman said the government was considering the blast to be an assassination attempt. *(AP)*

Prodi Tries to Pacify Opposition

ROME — Prime Minister Romano Prodi of Italy will offer the opposition parliamentary safeguards this week in return for an undertaking to stop obstructing the passage of legislation, political sources said Tuesday.

They said the offer was agreed on when Mr. Prodi summoned leaders of the center-left Olive Tree coalition to discuss problems facing his two-month-old government.

Mr. Prodi's initiative is in response to strains in his coalition over its dependence on the Refounded Communist Party for a majority in the Chamber of Deputies. *(Reuters)*

Firebomb Hits Turkish Center

FRANKFURT — Firebombs thrown into a Turkish cultural and sport center early Tuesday caused property damage estimated at 100,000 Deutsche marks.

A cloth was found in front of the building with the message, "The hunger strike lives — TKPML," police said. The initials stand for a leftist, pro-Kurdish party that has been banned in Turkey. Some mainly leftist and Kurdish inmates of Turkish prisons have been on a hunger strike since May, protesting strict prison regulations. *(AP)*

Calendar

European Union events scheduled for Wednesday:

STRASBOURG: European Parliament session continues.

STRASBOURG: European Commission holds weekly meeting.

GENEVA: Environment Commissioner Ritt Bjerregaard attends the UN Conference on Climatic Change.

STRASBOURG: European Parliament hears Dick Spring, the Irish foreign minister, speak on priorities during the six-month Irish presidency of the EU council.

BRUSSELS: The second round of negotiations with Australia on a general cooperation agreement takes place.

Sources: Agence Europe, AFP

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Laszlo Balogh/Reuters

Mr. Holbrooke arriving in Sarajevo to deal with the Karadzic situation.

Decision to Arrest Serbs Hinges on the U.S.

By Elizabeth Neuffer
The Boston Globe

BERLIN — International arrest warrants have been issued. The calls by European governments and the United Nations war crimes tribunal in The Hague for NATO troops to seize the Bosnian Serbs' political leader, Radovan Karadzic, and his top general, Ratko Mladic, have finally been made.

Last week, there was clamor throughout Europe to bring the two, who are accused as war criminals, to justice.

NEWS ANALYSIS

But Balkan experts say only Washington, not Bosnia or Europe, can determine when that happens.

Only President Bill Clinton, as architect of the Dayton peace plan, can push the U.S.-led NATO troops into making arrests they have been so reluctant to make. And whether Mr. Clinton dares to do so is an election year test.

"The question now is: 'What will Clinton do?' " said Jonathan Eyal, a Balkan expert at the Royal United Studies Institute in London. "So far, the Clinton policy has been to coast as soon as possible, to guarantee success."

It's not that the Clinton leadership hasn't thought about arresting the Bosnian Serb leaders. People close to the issue say plans for apprehending them have been discussed for at least two months. They were said to have been one topic of discussion for the U.S. director of central intelligence, John M. Deutch, during his recent trip to the Balkans.

But Washington is deeply divided on arresting Mr. Karadzic. Some officials see it as a moral necessity. Others think it is a dangerous political risk. "The administration is schizophrenic on this issue," Mr. Eyal said.

On one hand, President Clinton cannot assert that the Dayton peace plan is a success as long as Mr. Karadzic and General Mladic remain at large. Even though the peace process is said to be on track, it is woefully behind schedule. The two men and their cries for Serbian nationalism could stall it further.

All it would take on the eve of Bosnian elections in September would be for Mr. Karadzic to call for his supporters to vote for the Serbian candidate, and then for rival Muslim and Croat leaders to the elections a farce.

On the other hand, the arrest of the men could go awry. As it stands, NATO troops are obligated to arrest the two only if soldiers come across them at a good time and place. They have not been given a mission to seek them out. This reflects fears that any arrest mission could turn deadly for the NATO soldiers.

And a botched arrest that costs the lives of American soldiers could lay the Clinton administration open to Republican attacks.

What remains to be seen in the coming week is whether the issue of the arrest of Mr. Karadzic and Mr. Mladic catches fire in the hearts and minds of Americans and as a campaign issue in the United States, and whether Europeans will press Washington to bring them to justice.

Prosecutors in The Hague cleverly planned their evidentiary hearings against the two to coincide with the first anniversary last week of the Serbian conquest of the United Nations "safe haven" of Srebrenica. An estimated 8,000 men and boys are still missing. Many are assumed to have been massacred.

As witnesses in The Hague told of the killings — and the complicity of General Mladic and Mr. Karadzic — teams in Bosnia began to exhume mass graves.

At the same time, the head of the United Nations war crimes tribunal stepped up the pressure, saying Friday that by failing to act the international community was signaling that all dictators or military leaders could act with impunity.

"Go ahead! Maim, torture, commit acts of genocide; this would be the signal," said the tribunal chief, Antonio Cassesse, in a letter to the UN Security Council.

The hope is that Americans, many of whom are descendants of people who suffered from other acts of genocide and repression, will feel that the moral imperative to arrest Mr. Karadzic and General Mladic outweighs the risk to U.S. soldiers. But that seems unlikely.

That leaves the Europeans. France last week called for the swift arrest of Mr. Karadzic and General Mladic. Germany seconded the call, but other European countries have remained quiet and there is no public effort to press the U.S. to act.

Balkan experts say the solution may lie in an arrest mission overseen by Washington but carried out by European troops. This, they say, is because Europeans are evidently less squeamish than Americans about the prospect some of their soldiers may have to die.

For now, Mr. Karadzic and General Mladic remain at large in the stronghold of Pale. The arrest warrants make it impossible for them to leave.

BOSNIA: *Holbrooke Gives a Warning*

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the International War Crimes Tribunal at The Hague in December when the Dayton deal was signed. Instead, they remain the two most influential men on Bosnian Serb territory and have done much to stymie the implementation of the Dayton deal.

Mr. Holbrooke's return to the Balkans, where he spent months last year setting the foundation for the Dayton accord, underscores the wobbly nature of the deal. Mr. Holbrooke left his position as assistant secretary of state for European affairs in February to join CS First Boston, an investment bank.

According to Western diplomats, Mr. Holbrooke's main task will be to attempt to orchestrate the final removal from power of Mr. Karadzic — twice indicted by The Hague on charges of genocide and crimes against humanity.

As such, his most important meeting will be held Wednesday in Belgrade with the Serbian president, Slobodan Milosevic, Mr. Karadzic's former mentor who, under Dayton, agreed to cooperate in Mr. Karadzic's removal. So far, Mr. Milosevic has failed to do so.

If he continues his recalcitrance, U.S. diplomats have warned that the United States will move to reinstitute economic sanctions on Yugoslavia.

In attempting to remove Mr. Karadzic from the scene, Mr. Holbrooke also will have to forge a new consensus between the United States and Europe. As usual, the U.S. government is pushing a tougher line on Mr. Karadzic than its Western allies.

To that end, Mr. Holbrooke began his European swing in Brussels, huddling with General George Joulwan, NATO's Supreme Allied Commander in Europe and NATO's secretary-general, Javier Solano.

Earlier this month, Mr. Karadzic transferred his powers as president of the Bosnian Serbs to another hard-line Bosnian Serb leader. But he did not leave the more important position of chairman of the ultranationalist Serb Democratic Party.

Carl Bildt, the chief Western diplomat in Bosnia, said he was satisfied that Mr. Karadzic was slowly removing himself from political life and therefore downplayed a resumption of sanctions. U.S. officials said that they were not and talked up sanctions as a response.

Last weekend, Robert Frowick, an American diplomat in charge of organizing Bosnia's nationwide elections scheduled for Sept. 14, threatened to ban Mr. Karadzic's party from the vote if Mr. Karadzic did not leave his party post. Mr. Bildt implicitly criticized that stance.

Mr. Frowick said he would make his decision on Friday.

The Bosnian government has also threatened to boycott the vote if Mr. Karadzic remains in place, a warning that was reiterated Tuesday by Bosnia's president, Alija Izetbegovic, following his meeting with Mr. Holbrooke.

More Penalized In Brown Crash

Reuters

WASHINGTON — The U.S. Air Force has announced that it will punish additional military officers in connection with the April 3 plane crash in Croatia that killed Commerce Secretary Ronald H. Brown and 34 other people.

The numbers and identities of the personnel were not announced Monday. Officials said the punishments did not involve criminal charges, although they could range from courts-martial to letters of reprimand.

It would be the second round of disciplinary action in connection with the crash near Dubrovnik, Croatia, which was blamed on a combination of mistakes, including questionable pilot judgment and inadequate navigational aids.

DOLE: *Truest Allies Are Feeling Blue*

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said Mr. Alexander, who warmly endorsed Mr. Dole last March after dropping out of the race for the nomination. "I don't think it takes a brain surgeon to figure out what to do. Senator Dole needs to focus on where he wants to take the country, and let the rest of us focus on why Bill Clinton shouldn't be president."

In Fajardo, Puerto Rico, at a meeting of the National Governors' Association, several Republicans agreed — even governors of states where Mr. Dole is expected to have no difficulty on Election Day.

"People aren't sure who he is, what he stands for and where he will lead the country," said Governor Frank Keating of Oklahoma. Referring to Mr. Dole's recent tangles over the addictiveness of tobacco and over speaking at the National Association for the Advancement of Colored People, the governor said, "There is no reason for a candidate of his stature and depth to be impaling himself on tobacco and the NAACP."

Mr. Dole, appearing Monday on CNN's "Larry King Live," discounted the problems, saying they had arisen because Mr. Clinton was outspending him on television advertising.

"At this point it's better to be the underdog," Mr. Dole said. "We believe we're on target. It's not easy to defeat an incumbent president. Starting with the convention, we're going to kick it off."

The wave of criticism of Mr. Dole came after a series of mishaps — from a televised dispute over tobacco with Katie Couric, host of the NBC News program "Today," to an attack on Kweisi Mfume, the president of the NAACP — have plagued Mr. Dole since he quit the Senate last month to campaign full time.

Mr. Dole's aides said they were not worried about the criticism, and predicted their actions now would be borne out later.

"Even a championship team catches a few boos from the most loyal of fans now and again," a leading campaign official said Monday. "And when this campaign's loyal fans offer constructive criticism, we listen now and look forward to cheers later."

The concerns expressed by Republicans are widespread but not unanimous, and it remains to be seen whether they will have any real political consequence.

Mr. Dole has more than enough votes to insure his nomination for the presidency, and there is no talk of replacing him on the ticket.

"It's not as though there was an 800-pound gorilla waiting in the wings," said Tom Slade, the Florida Republican chairman, adding, "Thank goodness we're making our mistakes this early."

But several Republicans suggested that unless Mr. Dole can shore up his position, he may not have the political authority to accomplish much more in San Diego then accept his own nomination.

Mr. Pataki and Senator Alfonse M. D'Amato of New York, who were both distressed with what they saw as Mr. Dole's concessions to conservatives in the party on abortion, said that unless Mr. Dole steadies his candidacy he could find himself faced with an ideologically raucous convention.

Mr. Pataki, who is in favor of abortion rights, argued that Mr. Dole was vulnerable to this because he had yet to present a theme for his presidency. "In the absence of that overriding vision, then those issues that divide us tend to come to the fore," the governor said. "You don't win by trying to diffuse dissension. You win by trying to create a positive vision as to where you lead the country."

Some party leaders said they were also concerned that a weak showing by Mr. Dole could endanger Republicans in House and Senate races. Tom Jensen, the Republican Party chairman in Kentucky, referred to the tight contest Senator Mitch McConnell now faces there.

"Bob Dole has to be perceived as having a chance to win in order for us to do well in Kentucky," Mr. Jensen said. "If they — Republicans or the swing Democrats — see somebody they don't think can win, they don't bother voting. For people to come out and take an interest in it, they have to perceive him as a winner."

GATES: *Competitors Worry That He Plans to Gobble Up Internet*

Continued from Page 1

But while these well-chronicled contests continue, far more meaningful skirmishes are occurring among little-known industry groups that set the arcane, but crucial, technical specifications that determine whether and how well various makes and models of hardware and software can work together on the Internet.

It is on this front where Microsoft may be in the best position to use its current market power to influence technology's future. And it is a measure of Microsoft's intensity that one of these struggles has even placed the company at odds with its symbiotic hardware partner, Intel.

Rather than merely embrace and extend the Internet, the company's critics now fear, Microsoft intends to engulf it.

Microsoft executives insist that the company intends to cooperate with Internet standards groups.

But according to industry executives who have observed Microsoft's activities in these standards sessions, there is evidence that the company is attempting to employ the same sort of business practices that helped it rise to dominance in the personal computing industry — and that have repeatedly drawn the scrutiny of federal antitrust investigators.

Just as Microsoft did with PC technology, these executives fear, the company intends to subsume more and more of the Internet's basic technology in Windows.

Indeed, even while it works behind the scenes to shape future technical standards to its competitive advantage, Microsoft has begun to absorb into Windows various Internet capabilities, such as the company's Explorer browser for the World Wide Web and Front Page set of tools for creating Web pages.

By offering such products as part of Windows, critics contend, Microsoft could wage an Internet war of attrition against rivals large and small, whether ascendant powers like Netscape or established tool makers like Adobe Systems Inc., producer of Web-page designing software called Pagemill.

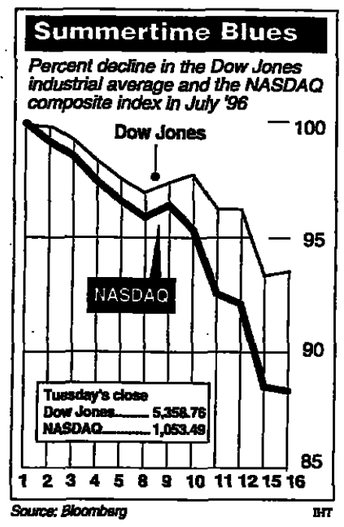
"There are societal consequences to Microsoft's strategy," said Gary Reback, a Silicon Valley lawyer who has battled Microsoft in court and before the Justice Department in recent years. "Here is a new technology and a whole new wave of commerce, and Microsoft wants to suck it into the operating system to maintain its monopoly."

Microsoft insists that using the Windows vacuum cleaner as a way to suck away revenue from competitors is simply good business.

"Yes, that is our business strategy," said Paul Maritz, the executive vice president for the company's Internet business. "But not out of spite. What you're seeing here is competition, which is good and healthy. Now we have Netscape's Navigator and Sun's Javasoft as our new competitors."

Mr. Reback, though, has been trying to raise alarms with the Justice Department, which last year was investigating the potential antitrust implications of Microsoft's placing an icon for its online Microsoft Network on the main screen of Windows 95.

Justice officials decline to comment, but as Microsoft has turned its focus from subscriber-based on-line services to the more open Internet and World Wide Web, the antitrust investigation has reportedly become moribund.



MARKETS: *Dollar Takes a Dive*

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bank's strategy before Congress on Thursday.

After the dollar dropped four pfennig against the Deutsche mark Tuesday morning, it turned around after lunchtime in New York, most likely because of official intervention after the rest of the world's currency markets had closed.

A round of computer-guided buy orders, which enable investors to move millions of dollars in or out of the stock market in a short period of time, helped fuel the recovery, traders told Bloomberg Business News.

"We saw some panic selling, and then people stepped in," said Louis Todd, head of equity trading at J.C. Bradford & Co.

In earlier trading, stocks got a temporary boost from the smallest rise in consumer inflation in seven months, only 0.1 percent in June.

The report raised hopes that Mr. Greenspan would signal no immediate rise in interest rates, although analysts said his testimony was likely to cause knee-jerk reactions in the market because traders, reading between the lines, could misinterpret his intentions.

Allen Sinai, an economist at Lehman Brothers, said a clear-cut statement about the direction of interest rates was not expected.

"The Fed will watch and wait," he said, although the trend was "clearly in the direction of tightening."

Analysts said the market seemed to be purging itself of pricing extremes, without regard to interest-rate policy and profit expectations. "Excesses have to be removed," said Stephen Shopkin of Lehman Brothers, alluding to the sharp falls in technology stocks that have taken the sizzle out of the bull market after having created it last year.

"Many equity investors are running fore cover," Donald Straszheim, chief economist at Merrill Lynch, told clients. "More are likely with the economic environment we see."

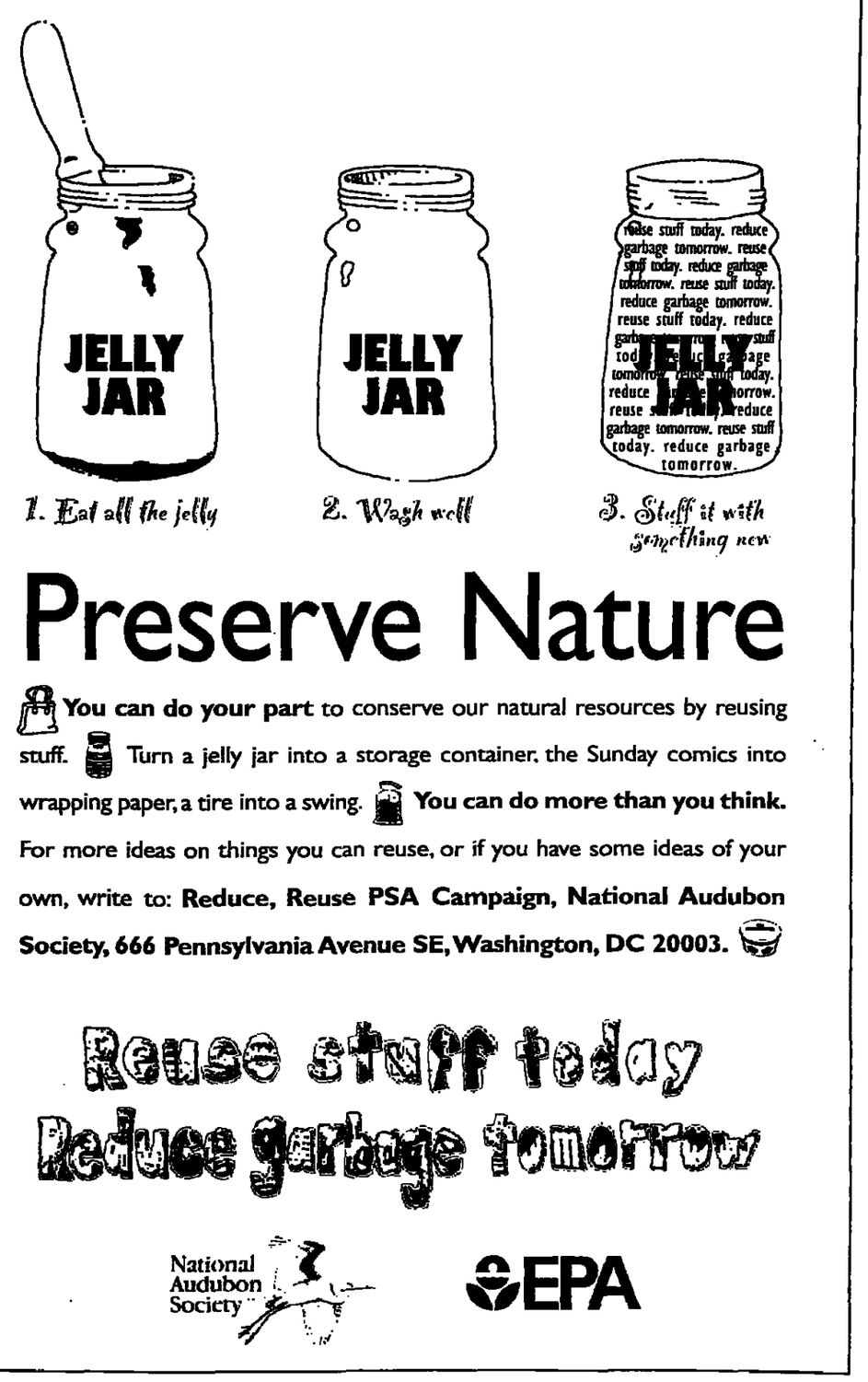
He said investors feared that "they can't win" when interest rates may go up and corporate earnings go down. Furthermore, with stronger growth, inflation worries will mount, and the market will only worry more that the Fed will slam on the brakes, and the result will be recession.

Like other analysts, he declined to speculate as to when the market's correction would stop. The Big Board has lost more than 6 percent of its value since the beginning of this month, most recently on lower earnings reports.

Tuesday's retreat was paced by Eli Lilly, Whirlpool and Exxon, major industrial companies far from the technology meltdown. Lilly shares closed at $57, down $2.50. Whirlpool closed at $49.875, down 12.5 cents, and Exxon ended at $86.375, down $2.

Two technology stocks were among the most active Big Board gainers. IBM rose $4.375 to finish at $95.25, and Hewlett-Packard gained $2.375 to close at $41.

Some mutual fund companies, including Fidelity Investments, reported an increase in shareholder withdrawals. T. Rowe Price Associates Inc. and Stein, Roe & Farnham Inc. also reported "modest net outflows" and increased investments in low-risk money market funds.



INTERNATIONAL

A Notable Lack of Friendship Passes for the China-Vietnam Border

By Keith B. Richburg
Washington Post Service

FRIENDSHIP PASS, On the Chinese-Vietnamese Border — The surly Vietnamese customs agent in the ill-fitting olive-green uniform was taciturn as he inspected the two suitcases, unfolding each article of clothing, flipping intently through the pages of every book and magazine as he searched for illicit or suspect materials.

Finally, his eyes narrowed, and he could hardly suppress his glee as he came across the evidence of subversion he had been seeking: a Vietnamese newspaper with photographs of the new Communist Politburo members, a press release announcing the results of a just concluded party congress, and — most insidious of all — four computer disks.

"No," he said in English, as he scampered off to tell his superior in an adjacent room. "Not allowed."

The confiscated materials were eventually returned, after a bit of haggling and close to an hour of waiting. But the incident illustrates the high level of suspicion that still prevails here on the frontier between Vietnam and China — a level of distrust so high that even taking names and photographs of Vietnam's new leaders across the border could be considered an act tantamount to espionage.

The border crossing point called Friendship Pass may well be one of the most inhospitable spots on the planet. Today it is the preserve of unfriendly immigration and customs officials, but in early 1979 the entire area was devastated when China sent troops and artillery pouring over the border to teach "a lesson" to the ungrateful Vietnamese who had dared invade China's ally, Cambodia.

The Chinese attack was repelled, with heavy casualties on both sides, but the conflict ushered in a long cold war, punctuated by almost daily artillery exchanges.

A gradual thaw began at the close of the 1980s, as Vietnam embarked on a new economic liberalization policy and the border was opened for trading. A Vietnamese troop withdrawal from Cambodia in late 1989 and a visit to Beijing by Hanoi's top-level Communist leaders seemed to put the ancient antagonists back on the path to more normal relations.

A few months ago, direct train links were reestablished for the first time since the 1979 war, connecting Hanoi, Vietnam's capital, to Nanning in China's Nanning Autonomous Region.

The rail line from Nanning was extended to Vietnam in the 1950s and became a conduit for Chinese arms and military supplies to Hanoi during the Vietnam War, back when the two states were fraternal Communist allies united against American "hegemonism." These days, the rail line mainly transports Chinese traders bearing fruits, vegetables, beer, plastic products and electronics. On the border, workers are putting the finishing touches on a huge new immigration and customs hall as evidence of reconciliation. The train journey to China begins at Hanoi's cavernous, rundown train station. The only window selling tickets to China seems perpetually closed, without explanation, despite the daylong opening hours posted.

Two types of tickets are available: the first, for about $50, is good for the journey to Nanning. The second ticket — the existence of which the Vietnamese guard like a state secret — is valid only for a trip to the border town of Dong Dang and costs $5. From Dong Dang, the visitor is told make his own way across the border and then catch a local Chinese train. The pricier tickets provide a "soft seat" in a compartment filled with well-to-do Vietnamese and Chinese business travelers and a few backpackers from Europe and Australia. The cheap compartment to Dong Dang is filled with Vietnamese families who live in the border area and are returning home from shopping and trading in Hanoi. The journey begins as a boisterous family outing, with booze flowing, men gambling, women chattering and babies crying. Within a few hours, all are sound asleep.

The train leaves Hanoi at 11 P.M. and arrives at the border at 5 A.M. Even at that early hour, the Dong Dang station is abuzz with activity, with traders unloading cartons and crates or loading them on for the trip back to Hanoi.

From Dong Dang, a traveler loads himself and his baggage onto a Honda motorcycle, and, perched precariously balanced, bumps 2 miles uphill to a stifling hot, yellow concrete border post.

Few foreigners take this path from Vietnam into China, judging from the startled looks on the faces of the immigration officials and the intensity of their interrogation. At one point, perhaps flummoxed by the paperwork required, one immigration officer shouted out, "Go back to Hanoi!"

Once past the border post, another motorcycle waits to perform a similar balancing act for a few hundred meters to the Chinese side. After brief immigration formalities, an air-conditioned minivan delivers travelers to the train station at Pingxiang.

The Chinese side of the border is everything the Vietnamese side is not: bustling and filled with shops, restaurants and traffic. Nanning, the final stop, is a booming city of high-rise office buildings, multistory hotels, department stores, a small but efficient airport — and an astonishing 2.5 million people.

New Hitch on British Beef Exports

Latest Evidence Prompts EU to Consider Tighter Safeguards

The Associated Press

BRUSSELS — New concerns about "mad cow" disease may force Britain to apply tougher safety standards before the worldwide ban on its beef products is lifted, European Union officials said Tuesday.

The EU agreed last month to let Britain resume exports of gelatin, tallow and beef sperm if it met strict hygiene and safety standards.

That step and assurances that the overall ban would be gradually lifted led Britain to end Europe's beef crisis on June 21 by dropping a month-long boycott of EU decision-making.

But new evidence suggests that tighter safeguards may be needed before Britain can resume exports of gelatin, which is used in products ranging from cosmetics to candies.

On Wednesday, a panel of EU veterinary experts will discuss the new information, which questions the temperature above which gelatin must be processed to ensure that it is free from bovine spongiform encephalopathy, or mad cow disease.

EU officials stressed that Britain had not yet met the conditions set last month and that the ban on all exports of British cattle products remained in place.

They said the EU executive agency, the European Commission, was still waiting word from London that the standards were being applied. Only then will the EU send its own inspectors to check British processing plants.

"In the near future, it does not appear that there will be any exports of gelatin and tallow," said Gerry Kiely, farm spokesman for the EU's executive Commission. Tallow, the rendered fat of cattle, is used in making soap, candles and lubricants.

In a separate development, the commission said initial inquiries had found no evidence to support claims that British beef was being smuggled to other nations.

■ Santer Denies a Cover-Up

Jacques Santer, the commission president, defended the European Commission on Tuesday against allegations that it tried to cover up the dangers of mad cow disease, Reuters reported Tuesday from Strasbourg.

"The commission has never hidden the principles which guide it on this," he told the European Parliament. "Health is our major concern. Scientific evidence is our only method."

Mr. Santer was reacting to a letter from Klaus Hänsch, the Parliament's president, demanding an explanation of reports that the commission and senior EU veterinary officials were aware as early as 1990 of the possible danger of mad cow disease spreading to people and that they hid these fears through a policy of disinformation.

Mr. Santer denied the allegations on behalf of the commission, saying, "I really do not see why it would have adopted a policy of disinformation on such a sensitive matter."

Luca Turi/Agence France-Presse

CAPTURED — Italian police officers escorting a man accused of Mafia ties Tuesday in coastal Bari, one of the dozens of people arrested in an operation against organized crime in the southern part of the country.

Law Panel Says U.S. Is Racist In Applying the Death Penalty

Compiled by Our Staff From Dispatches

GENEVA — The International Commission of Jurists, which long battled the Soviet Union over repression of dissent, said Tuesday that death sentences in the United States were arbitrary and weighted against blacks.

In a detailed report by four judges and lawyers who visited several U.S. states earlier this year, the commission also said the United States was violating international human rights and anti-discrimination treaties.

At present, the 260-page report said, administration of death sentences was "arbitrary and racially discriminatory." It added that prospects of a fair hearing for capital offenders could not be assured.

The commission, made up of legal experts from around the world, said the U.S. system of capital punishment was so flawed that it increased the chances of miscarriages of justice.

The secretary-general of the commission, Adama Dieng, said the report "provides a disturbing account of the difficulties involved — even for a country which is regarded by many as the world's leading democracy and protector of basic individual rights and freedoms — in ensuring the implementation of the death penalty is in accordance with accepted international norms."

The International Commission of Jurists, including members from Australia, India, Nigeria and Sweden, provided figures showing that 40 percent of the people executed in the United States from 1976 (when the U.S. Supreme Court allowed states to reinstate capital punishment) to 1995 were black.

Overall, the report said, 44 percent of the U.S. prison population was also black, although Americans of African origin accounted for only 6 percent of the total U.S. population.

The commission said it was particularly disturbed by the influence of electoral politics on judges and district attorneys.

In many of the 36 states where capital punishment was on the statute books, the commission said, district attorneys were "elected quite often on the basis of their performance or promise of rigorously seeking out the death penalty."

Moreover, the commission report said: "The mission has found that among elected judges, those who covet higher office — or those who merely wish to retain their status as judges — must constantly proclaim their fealty to the death penalty."

In most states practicing capital punishment, both trial and appeals judges faced "periodic and in most cases partisan elections," the report added. "The prospect of elected judges bending to political pressures in capital punishment cases is both real as well as dangerous to the principle of 'fair and impartial' tribunals." *(AP, Reuters)*

Rome Plans Cleanup Of Pantheon's Image

Reuters

ROME — The Rome council plans to clean up the image of the Pantheon, one of the city's most famous ancient monuments, a council official said Tuesday.

The official said the building would be placed under 24-hour surveillance, with people banned from loitering or sleeping under its portico. The square in front is to be cobblestoned after new pipes and cables are laid.

The Pantheon was built as a temple in 27 B.C. and converted into a Christian church in the seventh century.

Yugoslavia Seals Off Region After Outbreak Of Hoof-and-Mouth

The Associated Press

PRISTINA, Yugoslavia — In an effort to halt an outbreak of hoof-and-mouth disease, the authorities in Serb-led Yugoslavia have imposed a strict blockade of the southern province of Kosovo.

The most affected regions, bordering Albania and Macedonia, have been sealed off. Emergency measures in the areas include bans on public gatherings and travel as well as disinfection of people and cars.

Troops and police are controlling all traffic in the province, and any cattle coming from Macedonia and Albania are destroyed on the spot. The highly infectious disease, which can also affect humans, was first recorded in Kosovo last week. It is believed to have spread into Yugoslavia and Macedonia from Albania, where it broke out last month.

Tough Mexican Protester Leading In Vote to Head Main Leftist Party

The Associated Press

MEXICO CITY — A pugnacious provincial leader, who gained popularity by blockading state-owned oil wells and leading protests against the government, emerged Tuesday as the virtual winner in an election to head the main leftist party in Mexico.

Under the leadership of Andres López Obrador, the Democratic Revolutionary Party, or PRD, is expected to challenge President Ernesto Zedillo Ponce de León to speed the pace of democratic reform or face more unrest in the streets.

Mr. López Obrador, from the oil-producing Gulf Coast state of Tabasco, held a commanding lead Tuesday for the presidency of the 1.3 million-member leftist party, the third-strongest in Mexico.

With 60 percent of the votes counted from the Sunday voting, Mr. López Obrador had 76.3 percent to 14.3 percent for Senator Heberto Castillo, the closest contender. The winner will begin a three-year term on Aug. 8.

Mr. López Obrador, 43, did not immediately claim victory. But in comments Monday night he promised that if elected he would "work to restore party unity and fight to advance our position."

The PRD was founded in 1987 by an assortment of former Communists, Socialists and other leftists as well as several leaders of the ruling Institutional Revolutionary Party who broke away to protest corruption and repression.

The PRD posed a formidable challenge in presidential and congressional elections a year later. But internal dissension has recently weakened the party.

BOOKS

A HEART SO WHITE

By Javier Marias. Translated from the Spanish by Margaret Jull Costa. 279 pages. $24. Harvill/HarperCollins World.

Reviewed by
Gustavo Perez Firmat

THIS novel could have been many things — a love story, a murder mystery, a tale about the loss of innocence and the burden of guilt, a study of the complicated, sometimes sinister negotiations between fathers and sons or husbands and wives.

Instead, however, Javier Marias — one of the best-known and most interesting novelists to have emerged in Spain during the last 15 years — takes bits and pieces of what could have been and puts them together into a book that is as quirky as it is brilliant.

Narrated by a talkative thirtysomething who makes a living as an interpreter for the United Nations and other international organizations, the story ambles leisurely across two continents and three generations, eventually settling on a decades-old family secret concerning the narrator's father.

Imagine "The House of the Seven Gables" as told to Laurence Sterne, and you begin to form some idea of the dark truths and bright ideas that make up the novel.

Although the number of actual scenes and incidents in the book is minimal — two lines of dialogue are often separated by two pages of ruminations — the narrator deftly manages to draw the action out so as to keep the reader guessing until the very end. If you have the time, he has the sentences.

The intriguing cast of characters includes the narrator's father, Ranz, an aging, caped Lothario who has survived three wives; Luisa, the narrator's wife, who develops a strange intimacy with her father-in-law; Berta, a gimpy-legged former lover who spends her spare time looking for a mate through the personal ads; Custardoy, a childhood buddy who has grown into an expert forger of 18th-century French art and who may also be having an affair with his best friend's wife; and Miriam, a Cuban mulatta whose life briefly intersects with the narrator's during his honeymoon in Havana.

The author gives us some wonderful scenes, such as the mangled interview between a Thatcher-like British prime minister and a high-ranking Spanish politician, during which the interpreter substitutes his own questions for those of the participants, so that when the Spaniard asks his British counterpart whether she wants tea, the interpreter recasts the question as "Tell me, do the people in your country love you?" What follows is a minuet of missed connections that is both hilarious and affecting.

Speaking more for himself than for the rest of us, the narrator affirms, "We cannot stop focusing our lives on hearing and seeing and witnessing and knowing." And focus he does. To a large extent, he is less a character than a mode of perception, a point of view. True to his calling as translator, he seems far less attentive to the origin or impact of experience than to the mere act of recording and conveying it. Nothing shuts or shakes him up — not his wife's probable infidelities or his father's assuredly shady past. At times impassive to the point of inertness, he reports the most sordid or tragic events in such detached, deadpan tones that the novel often lapses into something like a comedy of terrors — one is not sure whether to cringe or laugh. The underlying problem is that nobody can be perceptive all the time, and even unmitigated perceptiveness becomes a little grating unless it is filtered through an engaging personality, which Marias's protagonist doesn't have (even his name, Juan, lacks luster).

As a result, there are moments in the novel when the reader wishes that the narrator stopped looking — out or in — and simply joined in the fray or at least got out of the way long enough to let the other characters go about their dirty business. Believing that "everything can be told," Juan concludes that nothing should go without saying — which makes for occasional stretches of fairly arid prose. But this is only a quibble. Ably rendered in English by Margaret Jull Costa (a translator's translator, if there ever was one), "A Heart So White" is an entertaining and intelligent novel that illustrates one of the ways in which younger Spanish novelists have advanced beyond the drab, count-your-tapas realism of much contemporary Spanish fiction.

Gustavo Perez Firmat's most recent books are "Life on the Hyphen," a collection of essays on Cuban-American culture, and "Next Year in Cuba," a memoir. He wrote this for The Washington Post.

BEST SELLERS

New York Times

This list is based on reports from more than 2,000 bookstores throughout the United States. Weeks on list are not necessarily consecutive.

FICTION

This Week		Last Week	Wks. on List
1	THE RUNAWAY JURY, by John Grisham	1	7
2	HOW STELLA GOT HER GROOVE BACK, by Terry McMillan	2	9
3	FALLING UP, by Shel Silverstein	3	6
4	THE TENTH INSIGHT, by James Redfield	5	10
5	A CROWN OF SWORDS, by Robert Jordan	4	4
6	EXCLUSIVE, by Sandra Brown		1
7	THE CELESTINE PROPHECY, by James Redfield	7	124
8	I WAS AMELIA EARHART, by Jane Mendelsohn	6	10
9	ACCORDION CRIMES, E. Annie Proulx	11	3
10	MOONLIGHT BECOMES YOU, by Mary Higgins Clark	10	13
11	THE FOURTH ESTATE, by Jeffrey Archer	8	5
12	MALICE, by Danielle Steel		17
13	GODS AND GENERALS, by Jeff Shaara	12	3
14	PROMISES, by Belva Plain		1
15	OH, THE PLACES YOU'LL GO! by Dr. Seuss	9	153

NONFICTION

1	OUTRAGE, by Vincent Bugliosi	3	4
2	THE DILBERT PRINCIPLE, by Scott Adams	2	11
3	BAD AS I WANNA BE, by Dennis Rodman with Tim Keown	1	9
4	THE CHOICE, by Bob Woodward		1
5	UNDAUNTED COURAGE, by Stephen E. Ambrose	6	19
6	IN CONTEMPT, by Christopher A. Darden with Jess Walter	4	15
7	MIDNIGHT IN THE GARDEN OF GOOD AND EVIL, by John Berendt	8	115
8	PARTNERS IN POWER, by Roger Morris	7	3
9	NO SHIRT, NO SHOES... NO PROBLEM! by Jeff Foxworthy	5	7
10	EMOTIONAL INTELLIGENCE, by Daniel Goleman	9	41
11	HOW COULD YOU DO THAT? by Laura Schlessinger	14	25
12	BLOOD SPORT, by James B. Stewart	16	16
13	THE CLOISTER WALK, by Kathleen Norris	15	8
14	THE AWAKENING HEART, by Betty J. Eadie	10	2
15	JACK AND JACKIE, by Christopher Andersen		1

ADVICE, HOW-TO AND MISCELLANEOUS

1	THE ZONE, by Barry Sears with Bill Lawren	1	17
2	MEN ARE FROM MARS, WOMEN ARE FROM VENUS, by John Gray	2	164
3	SIMPLE ABUNDANCE, by Sarah Ban Breathnach	3	15
4	THE SEVEN SPIRITUAL LAWS OF SUCCESS, by Deepak Chopra		64

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Herald Tribune

INTERNATIONAL

Israel Says It Will Relax Blockade of West Bank and Gaza

By Glenn Frankel
Washington Post Service

JERUSALEM — Israel announced Monday that it would ease the 19-week closure of the West Bank and Gaza Strip that has kept tens of thousands of Palestinian workers from their jobs and contributed to economic strangulation of the territories.

Although no details were disclosed, the move was seen as the first concession of the new rightist government of Prime Minister Benjamin Netanyahu to the Palestinian leader Yasser Arafat and to the Arab states championing the Palestinian cause. It was announced two days before he was due to fly to Egypt for talks on the Middle East peace process with President Hosni Mubarak.

In a surprise move Monday, Mr. Netanyahu met with Prime Minister Abdel-Karim Kabarati of Jordan, who earlier in the day had met with Mr. Mubarak. Jordan, which signed a peace accord with Israel in 1994, has been one of the Arab states most inclined to give Mr. Netanyahu's government the benefit of the doubt on the peace process, but in recent days has taken a more hands-off approach, following the Israeli's tough rhetoric during his visit to the United States.

Arab leaders have expressed alarm over Mr. Netanyahu's recent statements that he does not accept the land-for-peace formula for peace negotiations and that his government plans to expand Jewish settlement in the West Bank and Gaza. "Mr. Netanyahu's statements worry us a lot," Mr. Kabarati told reporters in Cairo, according to Reuters.

While Mr. Netanyahu prepared to meet with Arab leaders, he still has refused to announce a date for a meeting with Mr. Arafat, who is said to feel humiliated by the snub. In retaliation, Palestinian officials said Mr. Arafat refused to meet with Dore Gold, the prime minister's political adviser, who called last night requesting a session, which would have been his second with the Palestinian leader. Instead, Mr. Gold was invited to meet with lower-ranking Palestinian officials.

A statement said the easing of the closure had been decided by Mr. Netanyahu and Defense Minister Yitzhak Mordechai in order "to alleviate the economic distress of the Palestinians." Officials said details of the measure would be made public Wednesday.

Israel has been gradually easing the blockade, which the previous Labor-led government imposed Feb. 25 during a series of suicide bomb attacks by Palestinian militants that killed more than 60 Israelis. At present some 25,000 carefully vetted Palestinian workers are allowed to enter Israel through military checkpoints. At its peak, more than 120,000 had traveled to Israel daily.

Palestinian officials estimate that the closure has cost workers and businesses in the West Bank and Gaza at least $6 million a day and exacerbated an unemployment rate that is approaching half the eligible adult population.

Elias Freij., a cabinet minister in the autonomous Palestinian Authority and mayor of Bethlehem, one of the West Bank cities most affected by the closure, said Palestinians would insist on specifics before welcoming the easing of the closure, but that he was encouraged.

"I think the closure is neither in the interest of the Israelis or the Palestinians," Mr. Freij said. "We are both destined to live together in this country so the only way to live is to make peace and cooperate with each other. I believe Netanyahu is a practical man and he will serve Israel's interests by ending these restrictions."

While making concessions on land or settlements would be difficult for Mr. Netanyahu, easing the blockade is a relatively painless concession in ideological terms.

He and his right-of-center Likud party have traditionally opposed measures that separate the Palestinian population from Israelis because they hold that the West Bank and Gaza are part of the land of Israel and should not be divided by borders or restrictions.

Europe's Fears Are Quelled As U.S. Delays Cuba Sanctions

By Tom Buerkle
International Herald Tribune

BRUSSELS — European officials breathed a sigh of relief at President Bill Clinton's decision to delay key U.S. sanctions on foreign companies trading with Cuba, saying the move should avert European trade retaliation for now but cautioning that big differences remained over policy toward the Castro regime.

"It's reassuring that the president has tried his best," said a German diplomat, whose government has been among the most vocal in threatening European countermeasures if Mr. Clinton applied the full array of sanctions contained in the Helms-Burton law. "It's a limited but positive move."

An official at the British Foreign Ministry said, "It will be welcomed as a sign of standing back from the brink" of a trade war. A French Foreign Ministry official concurred, calling the U.S. move "a gesture toward the Europeans."

Europe's satisfaction was tempered by the fact that the Clinton administration decision was valid for only six months, and that other Helms-Burton sanctions allowing Washington to bar executives of foreign companies operating in Cuba from entering the United States were still in effect.

For Europe, the legislation remains the most-resented symbol of U.S. attempts to use unilateral trade weapons for commercial and political ends.

"We remain opposed to any unilateral, extraterritorial measures," the French official said. "It's not by these means that we are going to bring change to Cuba."

But senior officials believe the delay will give time for cooler heads to prevail. They welcomed, in particular, the fact that the delay will extend beyond the U.S. presidential election in November.

Most European officials view the anti-Castro legislation as a crude attempt to capitalize on the crucial role of the Cuban-American vote in the pivotal states of Florida and New Jersey.

The delay announced Tuesday by the White House affected Title III of the Helms-Burton law, which allows Americans whose property was expropriated after the Cuban revolution in 1959 to seek compensation in U.S. courts from any foreign company currently using those properties.

The 15 nations of the European Union have been unanimous in opposing that provision, regarding it as an illegal attempt to impose American law overseas.

EU foreign ministers threatened Monday to retaliate with up to four countermeasures, including legislation to prevent European companies from complying with any U.S. lawsuits if Mr. Clinton did not exercise his authority to waive Title III.

Title IV of the law, which allows the United States to refuse entry to executives from foreign companies using expropriated properties, remains in effect and is likely to nag at relations between the EU and the United States.

Several EU countries, including Spain and Britain, have raised the possibility that they will bar some American executives from their countries, although officials acknowledge they have no idea yet which U.S. companies to target or on what basis to select them.

■ Canada Is Encouraged

Canada said Tuesday that it was encouraged by Mr. Clinton's decision, but that it would advance its own retaliatory legislation against the law, Reuters reported from Ottawa

"We need to ensure that this decision is not reversed at a later date" and that other provisions of the act "are actually addressed," said the international cooperation minister, Pierre Pettigrew.

"The government will go ahead with its decision to amend the Foreign Extraterritorial Measures Act, to enable Canadian companies to use it in the future in the event that the U.S. president's decision will be reversed."

New Yeltsin Staff Chief Is Old Hand at Survival

By David Hoffman
Washington Post Service

MOSCOW — The landscape of Russian politics is littered with frustrated and defeated reformers. But the appointment of Anatoli B. Chubais to be chief of staff to President Boris N. Yeltsin shows how much Mr. Chubais has become a free-market reformer who survived.

He has weathered five tumultuous years during which he was appointed four times to important posts in the Yeltsin entourage, only to be dismissed.

Other prominent reformers have been disappointed during that time — Yegor T. Gaidar, for example, once was prime minister but was unable to get a seat in Parliament.

Grigori A. Yavlinsky, a liberal economist, came in fourth in the first round of the presidential election in June and is still trying to talk himself into an acceptable job in government.

But Mr. Chubais, by contrast, has built a reputation as a reformer who gets things done.

He was the architect of Russia's ambitious mass-privatization effort — the transfer of large sections of the state-owned economy to private ownership. He later helped devise a way to stabilize the ruble and rein in inflation.

He most recently was brought in to rescue Mr. Yeltsin's foundering re-election campaign, and he built a winning strategy.

The name of Mr. Chubais is virtually synonymous with moves toward a free market, which means that millions of people in Russia these days blame him for their current hardships.

Mr. Chubais is so controversial a figure that during the election campaign, after he held a highly visible press conference, Mr. Yeltsin's aides tried to spread the word that Mr. Chubais was being pushed aside.

It was not true, one of the aides confessed later. But it is true that Mr. Chubais, 41, a one-time economics instructor, would probably never win a national election.

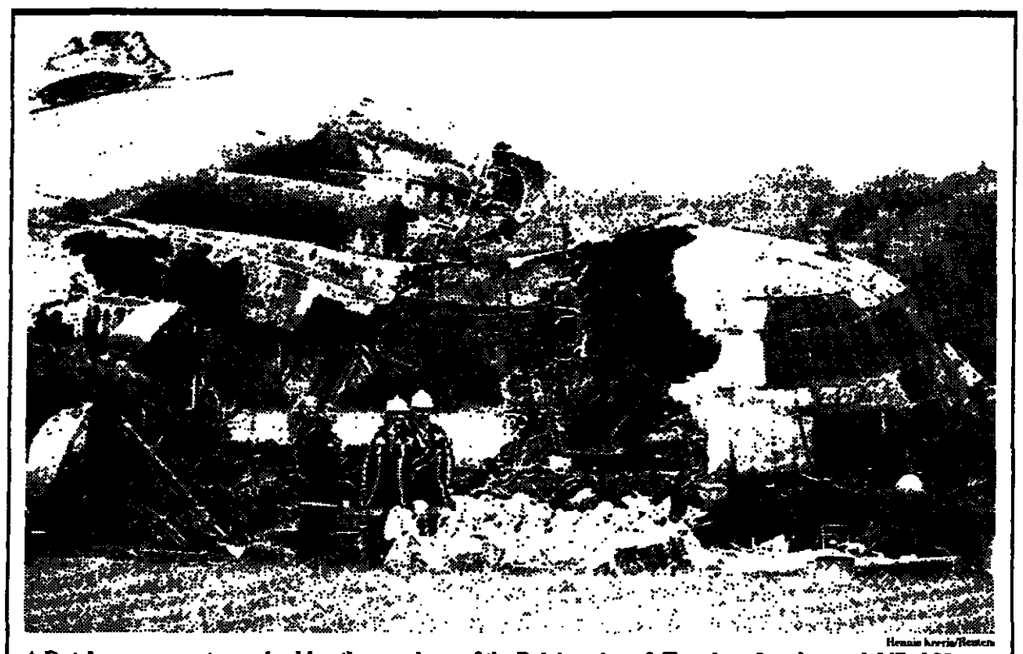
Mr. Chubais has often noted that reformers are trying to change not just economic policy but an entire way of thinking.

"During the election campaign, we saw that people often just fail to understand what the authorities want, why they make this or that decision," Mr. Chubais said in an interview with the Interfax news agency after his new post as chief of staff was announced.

Mr. Chubais is no stranger to power plays. In January, he was ousted at the behest of hard-liners around Mr. Yeltsin. The president accused him of losing seats in Parliament, and selling big companies for "a song."

Just a few months later, Mr. Chubais was back in the campaign at the behest of liberal financiers, and a few months after that he engineered the removal from power of some of the same people who had bumped him from power.

"He has something most Russians don't — a linear sense of purpose," said a Western economic specialist who worked with him, adding that Mr. Chubais is able to say: "Here's what's needed, and here's how to get it accomplished!"



Hennie Iverria/Reuters

A Dutch emergency team checking the wreckage of the Belgian aircraft Tuesday after the crash killed 32.

Birds Suspected in Fatal Crash of Belgian Plane

Agence France-Presse

BRUSSELS — A plane crash at a Dutch military base, which left 32 dead and nine seriously injured, could have been caused by birds caught in the aircraft's four engines, a military official said here Tuesday.

"It is likely that the cause of the tragedy could be the presence of birds" around the Belgian Hercules C-130 as it landed Monday at Eindhoven, according to Colonel Guy van Eeckhout, commander of the 15th Squadron of the Belgian Air Force, based in Melsbroek, near Brussels.

Speaking on the private Belgian television channel RTL-TVI, he added that, according to the Eindhoven control tower, the crew of the plane had spoken of the presence of birds.

However, he said, the commission of inquiry into the crash had yet to confirm whether this had been the case.

"Even a four-engine aircraft as stable as the C-130 can be quite fragile when it absorbs a flock of birds at a stage as critical as landing," he added.

The joint Belgian-Dutch commission of inquiry into crash Monday at the base in Eindhoven, in the south of the Netherlands, began Tuesday morning, but has not made public any theory on the cause of the crash. Most of the passengers were members of a Dutch military band.

RUSSIA: *Yeltsin Meets Gore*

Continued from Page 1

when you're running for office."

Mr. Gore later delivered an upbeat impression of Mr. Yeltsin's health. "He looked very good to me," Mr. Gore said. "He seemed to be in good health, relaxed, smiling and seemed very actively engaged in the subjects we discussed during our conversation."

Asked at a news conference whether he had raised the abrupt postponement of Monday's meeting with the Russian president, Mr. Gore said, "No, of course not."

" I didn't find it all that unprecedented," Mr. Gore added, for Mr. Yeltsin to change the time of the meeting. He said the reason "never came up."

Mr. Gore was in Moscow for the seventh meeting of a commission on economy and technology, chaired by him and Prime Minister Viktor S. Chernomyrdin.

At a signing ceremony and news conference with Mr. Chernomyrdin, Mr. Gore was asked about the talks with Mr. Yeltsin on Chechnya. Mr. Gore noted that the discussions had been "private and confidential," but said that he had urged "a return to the cease-fire arrangements and conditions that were negotiated a month or so ago."

Mr. Gore said he and Mr. Yeltsin discussed Chechnya "at some length." He added: "It's fair to say he believes in negotiations and wants to see an end to the violence, but he is determined that any attacks from the other side be met with a vigorous response."

Mr. Yeltsin and the Chechen separatist leader, Zelimkhan Yandarbiyev, agreed on a cease-fire in a series of agreements in May and June, which now appears to have collapsed after a fresh Russian offensive last week against two Chechen villages. Each side accused the other of violating the truce.

Tensions were on knife's edge in the Chechen capital, Grozny, on Tuesday following what witnesses described as a massacre of unarmed civilians by Russian troops.

According to the press agency Interfax and the Russian television channel NTV, two armored personnel carriers opened fire at about 11 P.M. at three cars carrying civilians near a dairy farm.

A curfew was in effect at the time but there were no signs that the civilians were armed.

Abdula Bugaev, a deputy prime minister in the Moscow-backed Chechen government, said eight people were incinerated in the cars, two others were found dead nearby and three more corpses were discovered in a neighboring village.

Russia's hard-line interior minister, Anatoli Kulikov, said that the conflict could not be ended peacefully. Russia, he said, would have to "use the combination of the peaceful and military measures" against the Chechens, whom he called "fanatics."

U.S. Woman Slain In Cairo Worked in Defense Intelligence

Reuters

WASHINGTON — An American woman who was stabbed and killed at a luxury Cairo hotel on Monday was a U.S. official on temporary assignment in Egypt, the State Department said Tuesday.

The department spokesman, Nicholas Burns, identified the woman as Judith Goldenberg, 56, and said she was employed by the Defense Intelligence Agency.

"She was attacked and killed — we think by a lone assailant — in the Semiramis Hotel in Cairo," he said. The attacker was apprehended by the Egyptian police and was in custody, he said.

"We do not know the motive for this attack," Mr. Burns said, adding that the case was being investigated by Egyptian authorities. He said he did not know the victim's hometown.

Earlier, Egypt's Interior Ministry said in a statement that woman was attacked by an Egyptian with a history of mental illness at the entrance to the hotel in central Cairo.

The ministry named the man being held as Omar Mohammed Noman, 28.

It said that Mr. Noman, who was arrested on the spot, had been treated for three months this year at a mental hospital.

CLINTON: *President Postpones Effect of a Cuba Sanction*

Continued from Page 1

use the next six months to rally allied opposition to Mr. Castro and head off allied retaliation.

At the same time, the inconclusiveness of the decision Tuesday could give pause to would-be investors, since they will not know until January whether they will be subjected to lawsuits.

Meanwhile, Bob Dole prodded Mr. Clinton on Tuesday to enforce the sanctions against Cuba.

"President Clinton's continued indecision until the last possible moment demonstrates, once again, that this president is rudderless when it comes to standing up for American principles around the world," Mr. Dole said.

"Allowing American citizens whose property was illegally stolen by the Castro regime to use American courts to seek justice is the right thing to do," he added.

A lawyer who was deeply involved in shaping Helms-Burton told The Washington Post before Mr. Clinton's announcement Tuesday: "Speaking in totally political terms, you don't want to make the decision now, because when you get closer to the election cycle, you can see either that you have Florida and New Jersey put away or not. If they're put away, you can feel confident, and issue a waiver. If they're not put away, then you let the law go into effect. The other alternative is that they're lost, and then you don't care either, so you waive."

In an interview Monday night with MSNBC, the new cable and Internet news service, Mr. Clinton acknowledged that he faces problems with European allies if he decides not to waive the provision. But the president added: "I must do what I think is in the national interest of the United States and what is likely to bring democracy to Cuba. We have to keep pushing until we get a democratic response in Cuba."

Paul Richards/Agence France-Presse

Sandy Berger, deputy national security adviser, announcing a delay in the Helms-Burton law as Undersecretary of State Peter Tarnoff looked on.

The chairman of the House international relations committee, Benjamin A. Gilman, Republican of New York, said the new law undermined "Castro's desperate scheme to raise hard currency by selling stolen property to unscrupulous companies."

(AFP, AP, Reuters, WP)

Chirac on Africa Trip

Agence France-Presse

PARIS — President Jacques Chirac of France left Tuesday for a three-day trip to Gabon and Congo, officials said.

World's Museums Linking Up to Track Stolen Art Treasures

By Ralph Blumenthal
New York Times Service

NEW YORK — In a drive against the booming trade in stolen art, world cultural groups, police agencies and insurance experts are drafting a simple new standard to help track lost masterworks and antiquities.

The identification system, being drawn up under the coordination of the J. Paul Getty Trust, is decidedly low-tech, as basic as a common checklist of what a missing object looks like.

The Getty Trust said the effort, joined with the latest technologies for sharing information quickly, was a promising strategy for thwarting thefts from ill-guarded museums, archives and churches as well as the pillaging of archaeological sites, crimes that officials say are flourishing in an age of dissolving borders, ethnic wars and a soaring art market. "The Getty is telling them to get down to basics," said Constance Lowenthal, executive director of the International Foundation for Art Research in New York, a leader in the tracking of stolen works. "An accepted standard, which can serve as the lowest common denominator, will help guide underfunded institutions throughout the world."

In a report last year by the Getty, "Protecting Cultural Objects," the Czech Republic was said to be losing about 10 percent of its national patrimony every year to thieves and smugglers. In China in 1989 and 1990 alone, the report said, 40,000 tombs were plundered. Italy recorded 253,000 art thefts from 1970 to 1990. British losses were estimated at $1.5 billion a year.

In the United States, one of the largest and most brazen art thefts in history remains unsolved: the snatching of a Vermeer, two Rembrandts and other treasures from the Isabella Stewart Gardner Museum in Massachusetts in 1990.

Yet, the Getty said, a survey of 107 arts organizations in 42 countries found wide variations in how information on their collections is maintained and transmitted. Although most use computers, few are on line or otherwise linked to other users, and even fewer use computers as a major way to store images of their holdings. Some groups keep scanty records on their collections. Others have such voluminous documentation that it is not easy to transmit.

Governments and museums will be encouraged to document their collections by a standard identification system, including an image and the condition of each work.

In one case cited by the Getty, a bronze sculpture stolen from a temple in India and sent to England was identified by termite tracks that matched markings of other objects recovered from the same cache.

"We're trying to get at the fundamental, simple things that are not necessarily easy to come by," said Eleanor Fink, director of the Getty Information Institute, formerly the Getty Art History Information Program, a unit of the wealthy Los Angeles foundation that operates the Getty Museum in Malibu, California.

Others that have been working with the Getty, beginning in 1993, to devise the identification standards include Unesco, the U.S. Information Agency, the Council of Europe, the International Council of Museums, the Conference for Security and Cooperation in Europe, Interpol, law-enforcement agencies, art dealers, appraisers and insurance consultants.

Because recovery of a stolen art work is often difficult at best, project organizers wanted to come up with a standard "core" of descriptive categories needed to identify a work.

The Getty group, after consulting many other participants, proposed a draft checklist of 11 categories beginning with an image, whether computer, video, photographic or even a sketch. The object is then to be described in brief, with information about its discovery, acquisition, history and value.

This is to be followed by its type or form (statuette, for instance, or painting), its materials and technique, measurements, inscriptions and markings, distinguishing features, subject, title, date, period, style and maker's name. A final checklist of standards is expected in the fall.

How this information is recorded, whether by computer or pencil and paper, is largely immaterial, said Robin Thornes, an architectural historian from England who is a consultant on the project and wrote the report on protecting cultural objects. If it is in a standardized form, it can be swiftly communicated to Interpol and police agencies by computer after a theft.

As it is now, Mr. Thornes said, when an object is stolen, the museum or collector calls the police or the insurance company, which in turn may notify a national police agency. "At almost every stage, somebody is sitting down at a computer and re-entering information again and again," he said.

While this process unfolds, he added, the stolen object can be whisked out of the country in 24 hours.

Herald INTERNATIONAL Tribune
PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Ulster's Real Majority

The bombs, barricades and bombast of sectarian strife have returned to Northern Ireland after a 22-month grace period that once seemed likely to bring a lasting peace. Primary blame for this tragic retreat from sanity belongs with the Irish Republican Army, which broke a 17-month cease-fire in January with a deadly London bombing, then broke it again in June in Manchester. An IRA splinter group may be responsible for last Sunday's hotel bombing in Enniskillen, the first bombing in Northern Ireland in nearly two years.

Gerry Adams, leader of the pro-IRA political party Sinn Fein, has yet to repudiate the IRA's bombing campaign and has thus excluded himself from the peace talks sponsored by the British and Irish governments and strongly supported by the United States.

But heavy responsibility also rests with Protestant politicians, including David Trimble of the mainstream Ulster Unionist Party. The Unionists have deliberately inflamed the situation by leading provocative marches through Catholic residential neighborhoods, commemorating Protestant victories in the 17th century.

British authorities, after first insisting that the marchers could not pass through Catholic strongholds, abruptly reversed themselves under Protestant pressure, one of a series of disastrous British tactical mistakes committed this year on Northern Ireland. Predictably, the marches incited clashes between angry Catholic residents and the predominantly Protestant police force, the Royal Ulster Constabulary. A Catholic protester was run over and killed last Friday by a security force vehicle.

After the IRA resumed its bombing campaign, it was probably only a matter of time before Protestant hardliners returned to confrontational tactics. Mercifully, they have so far limited themselves to marching, maintaining the bombing cease-fire they declared in October 1994.

For now, London, Dublin and Washington are left to watch helplessly as Catholic and Protestant hardliners turn the peace talks in which so much hope had once been invested into little more than an empty sideshow.

There is, however, one significant basis for hope. Most of Ulster's people, on both sides of the religious divide, seem appalled at the return to violence and want somehow to retrieve the chance for peace. Unfortunately, many of the province's political leaders decline to heed their pleas.

—THE NEW YORK TIMES.

Stock Market: The Oracle Is Auguring Trouble

By James K. Glassman

WASHINGTON — Is the fun over? The Dow Jones Industrial Average, which tracks large stocks, has fallen more than 400 points in New York in the past seven weeks. The NASDAQ index, for smaller stocks, is down more than 15 percent since early June. That's the equivalent of an 860-point drop in the Dow.

For some high-tech companies, the decline began earlier and just won't quit. The price of Micron Technology, a profitable maker of semiconductors, has fallen from $90 a share in September to $19 on Monday.

The stock market is an oracle. Like the one at ancient Delphi, it tells the future, often in riddles. When the market falls, it's saying that it doesn't like what it sees ahead — although the reasons are left for us to divine.

Americans will feel this stock market decline more personally than ever before.

Sometimes a decline can be a false alarm; the market is just cranky or depressed. Sometimes the market is merely suffering a temporary hangover after a binge of buying. And sometimes its forecasts are plain wrong. On Oct. 19, 1987, for instance, the Dow dropped a record 508 points, but the U.S. economy continued to grow at a 3 percent clip for the next three years.

Still, the stock market is usually a good soothsayer, in part because its prophecies are self-fulfilling. If the market falls sharply, vast sums of wealth are eliminated from the balance sheets of America's households, new ventures have a hard time raising money, and people and businesses become pessimistic and slow down their purchases or shelve their expansion plans.

With the rise of self-directed pensions, Americans will feel this stock market decline more personally than ever before. Barron's, the business weekly, points to "the sharply rising role of financial assets in Americans' lives." In 1980, the average family owned stocks and bonds equal to about twice its annual income; today those assets equal three times income. People have much more to lose this time around.

What sort of trouble does the oracle of Wall Street see? Here are two possibilities: recession and politics.

Recession. The market took a big dive on July 5 after the announcement that unemployment had fallen to 5.3 percent, the lowest rate in six years. The pundits saw a hot economy, leading to inflation and higher interest rates.

But by now a strong economy is an old story. The worry for the future is not strength but weakness. John Mueller of the Arlington consulting firm of Lehrman Bell Mueller Cannon has been a lonely voice predicting a recession in the second half of 1996 — a drop of 2 percent in GDP. He made this forecast two years ago and has stuck to it. Now at last he is getting some company.

"There could be a recession by the end of 1996," said Charles Clough, chief strategist for Merrill Lynch & Co. That is a bold statement. Investment firms, being in the business of selling stocks, are usually optimistic.

Mr. Mueller and Mr. Clough both worry about corporate profits. What goes up always comes down. Companies such as Motorola, Hewlett-Packard and United Healthcare are starting to report disappointing earnings, and it's a good bet that more will follow.

Politics. The best minds on Wall Street have been saying since the start of the year that the stock market is "discounting" (that is, assuming) that Bill Clinton will be re-elected and that the Republicans will hold on to majorities in both houses of Congress. Investors may not be overjoyed with this setup, but it doesn't alarm them. Gridlock such as we have seen for the past 18 months means no higher taxes, a budget deficit that stays under control and a White House that talks centrist.

But the status quo may not prevail in November. Recent polls show that Democrats could recapture Congress.

The pattern in the stock market during Bill Clinton's presidency has been clear. From the time he took office through the November 1994 elections, when Republicans captured the House and Senate, the Dow rose at an annualized rate of 9 percent. From that point through Mr. Clinton's rejection of the Republican balanced budget plan the market rose at an annualized rate of 29 percent. Since then the growth rate has slipped back to a yearly 6 percent.

In recent weeks it has been negative. Perhaps investors are thinking about the prospects of a House headed by Representatives Richard Gephardt and David Bonior, and a Senate run by Tom Daschle. Tax policy would be directed by Representative Charles Rangel. Representative John Dingell would be back on the beat as the top regulatory cop.

It is hard to predict what an all-Democratic government would do, but the last time around it raised taxes on just the sort of people who own stocks and bonds. One new Democratic idea calls for deciding (based on criteria such as health insurance for workers and relatively low salaries for chief executive officers) which corporations are "good" and "bad." The good get tax breaks, the bad lose federal contracts.

These two scenarios could cancel each other out. A recession could wreck the Democrats' chances in November, and then the market might recover quickly. But don't count on it. Right now the oracle is talking trouble.

The Washington Post.

Mismatched Allies

The June 25 bombing that killed 19 Americans in Saudi Arabia has brought to the surface tensions in relations between the United States and the Arab kingdom that both countries prefer to keep hidden. U.S. officials express frustration that Saudi law enforcement personnel do not cooperate more openly in the search for those responsible for the deadly truck bomb. The Saudi defense minister, in comments reported on Sunday, appears to rebuff U.S. requests to relocate some U.S. troops to more defensible positions.

That tensions exist should come as no surprise. Saudi Arabia is a closed dictatorship where religious police enforce Muslim law and where outsiders, and outside scrutiny, are not welcome. The United States is an open society impatient with Saudi conservatism and, as often as not, used to getting its way. Because a U.S. military presence in the Gulf region is in the self-interest of both nations, both have chosen to ignore their differences as much as possible and to find ways to work together. The bombing shattered that quiet understanding.

U.S. officials, facing domestic criticism for not having taken more precautions against terrorism in Saudi Arabia, now are eager for quick results, both in finding the terrorists and in improving security. The Saudi government, sensitive to its reputation, does not want the world to think of its kingdom as just another dangerous Mideast country. At a time when irritations are running high, it is worth recalling why both sides have favored the relationship. The Saudis know they cannot defend their long borders alone. The United States remains sadly dependent on Gulf oil and grateful for a place to deploy troops.

So it wouldn't make sense to pull out in a huff. At the same time, U.S. officials should make clear that no foreign base is so valuable that they would let troops be stationed there with anything less than the best possible protection. The Saudi defense minister, Prince Sultan, should not be allowed to get away with his disgraceful position.

From 5,000 to 6,000 U.S. military personnel are in Saudi Arabia now, mostly in Riyadh, where five Americans were killed in a truck bomb last fall, and in Dharhan, where the recent attack took place. One proposal under consideration would move many of them to an isolated desert outpost, al Kharj, where they could be protected more securely and with less inconvenience to the local population. Such a move could cost hundreds of millions of dollars, however, since al Kharj has few buildings, no water and no electricity. Such an investment, despite the urgency of action, demands attention to questions of the nature, purpose and intended duration of the U.S. presence. And it raises another provocative question: Who will pay? That must be worked out in order to prevent further tensions between two mismatched allies.

—THE WASHINGTON POST.

Progress Against AIDS

It is hard not to feel a surge of elation at the rapid progress reported at the international AIDS conference in Vancouver last week. For the first time since the early days of the epidemic, scientists seem actually to be gaining ground in treating a viral menace that has been largely incurable and almost invariably fatal.

The most startling advances have come in drug treatments. Where once there was essentially one major drug — AZT, moderately effective in slowing AIDS but highly toxic — now there is an array of drugs in the same family as AZT and a whole new family of drugs that act through a different mechanism. By combining these drugs artfully, doctors have achieved astonishing results in suppressing the AIDS virus in small numbers of patients for limited periods of time. In perhaps the most dramatic result, the virus became undetectable for up to 300 days after participants took a three-drug combination.

Nobody knows for sure that the new treatments will work over the long term. They can cause severe side effects, like kidney stones and nausea, and many patients will no doubt find it extremely difficult to take more than 15 pills a day indefinitely, often on an empty stomach and at precise times. It also remains possible that the wily AIDS virus will eventually develop resistance to these currently potent drug cocktails, especially if many patients fail to take their medicines in the strict regimen required. AIDS doctors are rightly trying to dampen the initial hype and optimism over the treatment gains pending bigger and longer clinical trials. There is concern that the new developments may fizzle out as so many others have in the long, gloomy history of AIDS.

But even after all the caveats, it is hard to minimize the dramatic shift in thinking that has occurred. Whereas AIDS victims in the past have faced a dreary prospect of decline toward eventual death, now there is an emerging possibility that those who have access to the new drugs can suppress their infection and live with it as a lifelong, chronic ailment, much like herpes or diabetes.

No one is predicting a total cure yet, but when the first subject with no detectable virus is finally taken off drugs, doctors will be watching anxiously to see whether the virus rebounds — or has been eliminated for good.

The paradox is that, even if the new treatments pan out, the outlook for controlling the global AIDS epidemic remains grim. The treatments are expensive, ranging above $15,000 a year, and thus will be difficult to provide to all those who might benefit in the United States. The cost of providing these treatments in developing countries, where some 90 percent of those infected with the AIDS virus live, is likely to be prohibitive. The only sensible response is better prevention programs and, most important of all, an effective vaccine to protect against infection. That is the goal toward which AIDS researchers must now focus their energies.

—THE NEW YORK TIMES.

Postmodern Irony May Be Profound, but It's Strange Science

By John Horgan

NEW YORK — Last month, at a conference in Buffalo called "Science in the Age of (Mis)information," scores of scientists railed against "anti-science," including the vile trend known as postmodernism. Hearing the denunciations at this meeting, one might guess that distinguishing truth lovers from truth defiers is child's play.

The forces of rationality sport shiny white jump suits, while the epistemological subversives skulk about in black T-shirts and berets.

If only things were that simple. Like a mutant virus, postmodernism has infected not only philosophy and the social sciences but even such alleged bastions of truth and objectivity as physics and chemistry.

Some of the most prominent scientists in the world traffic in hypotheses that are remarkably postmodern in character. I like to call this type of theorizing ironic science.

The concept of irony is central to that wellspring of postmodernism, literary criticism. According to such eminent critics as Northrop Frye, no text should be viewed as literally true. The Bible, "Finnegans Wake," even Mr. Frye's own essays are all ironic in the sense that they have multiple meanings, none of which are definitive.

The job of the literary critic is thus not to pin down the true meaning of a text — an impossible task — but to invent new meanings, ones that challenge received wisdom and provoke further dialogue.

Similarly, ironic science advances hypotheses that, while often profound and provocative, should not be considered literally true.

My favorite example of ironic science is superstring theory, which for the last 15 years has represented the cutting edge of physics. Sometimes called a "theory of everything," it posits that all the matter and energy in the universe, and even space and time, stem from infinitesimal loops of ur-stuff writhing in a hyperspace of 10 (or more) dimensions.

Superstring theory is exactly the kind of science that subverts notions of truth.

The leading practitioner of superstring theory is Edward Witten of the Institute for Advanced Study in Princeton, New Jersey. Time magazine recently named him one of the 25 most influential Americans, and with good reason. Mr. Witten's papers on superstrings have made him far and away the most cited physicist in the world.

In a now famous paper published last May in Social Text, a quarterly devoted to cultural studies, Alan Sokal, a physicist at New York University, proposed that superstring theory might help liberate science from "dependence on the concept of objective truth." Mr. Sokal later announced that the article had been a hoax intended to expose the hollowness of postmodernism.

In fact, however, superstring theory is exactly the kind of science that subverts conventional notions of truth.

The tiny domain that superstrings supposedly inhabit is even less accessible than the quasars haunting the edge of the visible universe. A superstring is to a proton in size as a proton is to the solar system.

To probe this realm directly would require a particle accelerator 1,000 light-years around. (The entire solar system is only one light-day around.) In other words, it is highly unlikely that we will ever know whether superstring theory is true. That is what makes it ironic.

Ironic science has flourished on the macro end of physics as well. Physicists like Sidney Coleman of Harvard and Andrei Linde of Stanford have speculated that our galaxy-emblazoned cosmos is merely one of an infinite number of universes, some perhaps with similar laws of physics and even similar inhabitants. A fascinating possibility — and one that will probably never be verified.

The phenomenon of human consciousness is a seed from which myriad ironic blooms have sprung. Every year more books and conferences address the question of how mere matter can possibly give rise to subjective thought. Is a bat capable of thought, or an amoeba? What about a computer?

Of course! thunders Marvin Minsky, the artificial-intelligence maven of the Massachusetts Institute of Technology. No way! retorts Roger Penrose, the British physicist and best-selling author.

The real answer is, Who knows? Science cannot gain access to the subjective realm. No human can be absolutely sure that any other human has an inner life. We all make this assumption because it is the reasonable thing to do. But reasonable people always can and will disagree on whether a machine or an amoeba thinks, because there is no way to settle the dispute empirically.

Most scientists vehemently reject the notion that they are engaged in anything smacking of postmodernism. But a few brave souls have made such an admission, albeit obliquely.

One is the Belgian chemist Ilya Prigogine, who won a Nobel Prize in 1977 for showing how certain chemical reactions "self-organize" into striking patterns. Mr. Prigogine's work is the inspiration for the trendy field of "chaos," which addresses phenomena so messy and complicated that they resist conventional scientific analysis.

Pointing out that chaotic phenomena are by definition unpredictable, Mr. Prigogine has declared that we have reached "the end of certitude." Science in the future will be increasingly probabilistic and speculative — in other words, ironic.

An even more radical view has been set forth by John Wheeler of Princeton, who coined the term "black hole" and is one of this century's most respected physicists. Mr. Wheeler spent years pondering quantum mechanics, which portrays electrons as either waves or particles, depending on how the experiment is carried out. He concluded that reality is a "participatory" phenomenon, defined in some sense by the questions we put to it.

"I do take 100 percent seriously the idea that the world is a figment of the imagination," Mr. Wheeler once said.

His view evokes that of the late Thomas Kuhn, the philosopher whose 1962 book "The Structure of Scientific Revolutions" remains a seminal text of postmodernism. Mr. Kuhn contended that science reflects not the truth about nature but merely scientists' prevailing mind-set, which is always subject to change.

This claim simply does not withstand scrutiny. Science has established beyond reasonable doubt the existence of atoms and elements, DNA and bacteria, stars and galaxies, gravity and electromagnetism, natural selection and the expansion of the universe. These are all facts. They will be true a century or even a millennium from now.

Why, if scientists can achieve real truth, do they indulge in ironic science? Because conventional science, as far as it has come, has left many mysteries unresolved.

Are quarks and electrons made of smaller particles, which are in turn made of still smaller particles, ad infinitum? Is our universe just one of many universes? Was the evolution of conscious, intelligent beings inevitable or a fluke of nature?

Lurking behind all these questions is the biggest question of all: Why is there something rather than nothing? Unfortunately, scientists have even less hope of solving this riddle than literary critics have of deciding, once and for all, what Keats's "Ode to a Nightingale" really means.

I do not mean to imply that ironic science has no value. Far from it. At its best, ironic science, like great literature or philosophy or, yes, literary criticism, induces wonder. By addressing unanswerable questions and imagining realms beyond the reach of true science, ironic science helps ensure that we remain forever awe-struck before the mystery of the universe.

But ironic science cannot give us the truth.

Mr. Horgan, a senior writer at Scientific American magazine, is author of "The End of Science: Facing the Limits of Knowledge in the Twilight of the Scientific Age." He contributed this comment to The New York Times.

Gains and Losses in Hong Kong

By Philip Bowring

HONG KONG — As they enter the home stretch to 1997, fear and greed run neck and neck. The business environment is balanced between hopes that 1997 will see Hong Kong able to cream off yet more mainland money, and concern that wiping out the stain of colonialism involves more than changing flags.

Optimists point to a stock market that has risen 8 percent this year. Skeptics retort that this has been mainly because of a huge influx of foreign money, mostly from American equity mutual funds.

Americans put a net $2.5 billion dollars into Hong Kong stocks in the first quarter of 1996, almost as much as during their late 1993 rush into emerging markets, and more than into any market except Japan.

The stock market is a barometer of sorts. But more of the 1997-linked business action is taking place behind closed doors. Political transitions everywhere are accompanied by shifts in business power. Hong Kong may claim to be all about business, not politics, but the reality of a power handover to an increasingly nationalistic, centralizing and cash-short government in Beijing is inescapable.

Foreigners must surrender long-held privileges to Chinese. And Cantonese groups that have acquired extraordinary wealth will be expected to share some of it with mainland groups with less money but more political muscle.

The first of these processes has been clear enough in recent weeks. It appears to have come as a surprise to stock analysts who believed the literal promises of the Chinese-British Joint Declaration and fondly imagined that British-controlled companies could carry on running the commanding heights of the Hong Kong economy as long as they pleased.

The reality is that the Swire group has had to put a brave face on new shareholding structures for Cathay Pacific Airways and Dragonair.

Britain's Cable and Wireless had a dream that control of HK Telecom and a link with the China International Trust and Investment Corporation would give it entry into the China market. Alas for them (and their intended merger with British Telecom), recent shareholding changes and behind-the-scenes talks suggest that Cable and Wireless will either have to surrender control at a none too favorable price or agree to HK Telecom's premature loss of its monopoly. Or both.

The Hong Kong Bank is less vulnerable, the banking industry not being subject to government-approved franchises. But having experienced decolonization in other parts of Asia, it may not expect to remain the territory's largest bank group for long past 1997.

The fate of big local groups is both murkier and more interesting. Some Hong Kong people take pride in the number of its tycoons who make the lists of global billionaires. But the more astute will recognize that there is no Sony, Microsoft or Samsung owner among them earning profits from products in global demand.

All are property owners whose wealth primarily consists of the unrealized profits of Hong Kong land price escalation — in particular the 800 percent rise from 1984 to 1994. Any mainland company wanting to enter the Hong Kong property market now faces prohibitive entry costs.

Hong Kong developers have tried to buy insurance by investing on the mainland, making the correct political noises in Hong Kong and spending freely on charitable and patriotic gestures. They have sought to build business relations with officials in Beijing as well as in Guangzhou.

But individuals can fall out of favor, and as mainland business confidence grows there are concerns among the Hong Kong rich that they will be wanted for their money, not for their expertise. Their assets and earnings can be diluted in numerous ways.

There are joint ventures in which they supply the money, the mainland companies the connections. They can be prevailed upon to invest in mainland infrastructure projects although "guaranteed" returns are minuscule compared with the margins they are used to in Hong Kong or Southeast Asia. Perhaps next year they will be eager to buy some of the huge excess of office space under construction in Shanghai.

It will not be a one-way street. Some mainland money will come south as Hong Kong money moves north. Hong Kong as a whole will not necessarily be a net loser. But at the corporate level there will be gainers and losers, and the latter are most likely to be the best-known, most exposed names with the most profitable franchises or the largest unrealized property gains.

The market is already beginning to sense this. Mainland companies generally have poor profit track records, yet there has recently been a surge of interest in "red chips," the Hong Kong-listed, mainland-controlled companies that do business on both sides of the border. Red chips today, blue tomorrow — and vice versa. That's history.

International Herald Tribune.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1896: Goncourt Dead

PARIS — M. Edmond de Goncourt died yesterday [July 16] morning from congestion of the lungs at the villa of his friend, M. Alphonse Daudet. M. de Goncourt was with his brother, the late Jules de Goncourt, the initiator of the "naturalist" movement in French literature, as well as the subtle historian of the elegancies of the last century. He was also one of the first to call attention to the beauties of Eastern art.

1921: Loan to Liberia

WASHINGTON — In a Senate finance hearing today [July 16] it was disclosed that the United States may lend $5 million to the Liberia Republic. The step would be taken to prevent many valuable concessions from falling to British and French operators. The action was defended as a business matter which will redound to the benefit of U.S. business interests. Strong opposition will undoubtedly develop in Congress. Opponents argue that the step is not in line with the Administration's policy of stringent economy.

1946: Pilots Appeal

NEW YORK— Four former 15th American Air Force pilots, who said they were rescued by General Draja Mihailovich's Chetniks, and a former Captain of the Office of Strategic Services, who lived with Mihailovich, telegraphed President Truman urging him to intercede [to mitigate the death sentence imposed on the general]. The group picketed the Yugoslav Consulate in an unsuccessful effort to see the Consul General. Nick Lalich, the former OSS officer, said there might be a chance to save the general's life if President Truman and Prime Minister Atlee acted within 24 hours.

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OPINION/LETTERS

Clinton Slights Civil Liberties

By Richard Cohen

WASHINGTON — If Bill Clinton's presidency ends this November, what will be his legacy? A solid economy? The restoration of democracy in Haiti? Let me give the president an area to consider. He can fairly claim that under his presidency the civil liberties of Americans were diminished.

That, of course, is a claim Mr. Clinton will not choose to make. Nevertheless he has either sponsored or approved laws that have vastly diminished habeas corpus, widened the use of wiretaps and put such a restrictive censor astride the Internet that a three-judge appeals panel heaved it out as the garbage it is. The president promptly reaffirmed his love for the legislation and said the government would appeal.

In addition, Mr. Clinton has embraced the concept of so-called Megan laws and signed a federal version of them. These laws require the registration of sex offenders so that the community will know that a pervert of some sort lives in their midst.

In the long run, the law will accomplish little. In the short run, we will have some jolly vigilante actions with the usual mistakes that mobs and hysterics make. Also — not that the president should worry — the constitution's injunction against double jeopardy will be violated since, without question, registration and all but certain harassment are additional punishments for the same crime.

The president has also greatly expanded the reach of the federal death penalty. Some 60 crimes were added under the 1994 crime bill and even more were added under this year's anti-terrorism bill. The upshot is that there is almost no crime that results in death which does not threaten execution.

This might not be surprising for a president who believes that the death penalty is a deterrent, but Mr. Clinton does not. What he believes, apparently, is that it is political folly to stand between the people and the death penalty they so love. As we all know, when it comes to political courage, Mr. Clinton has mastered only half the concept.

And that, in a nutshell, seems to be Bill Clinton's core value when it comes to civil liberties: He will do nothing to endanger his re-election. When he was forced to choose between a popular measure or some unpopular right that the finicky Founding Fathers slipped into the Constitution, I'm sure he thought, "O.K., this one time" — and went for the crowd-pleaser. But the one-times have added up and a truly sorry record has been achieved.

Mr. Clinton's latest triumph is the anti-terrorism law. Totally unrelated to terrorism itself, the law restricts the rights of state prisoners to have federal judges hear their appeals.

The right of habeas corpus dates back to the Magna Carta and has been instrumental in righting wrongs done in state courts. Under Mr. Clinton, it has been vastly diminished.

Why am I being so hard on President Clinton? After all, would Bob Dole have done any different? No, probably not. But Mr. Dole has never posed as either a liberal, an intellectual or, for that matter, a conservative with a libertarian bent. He has not been a Rhodes scholar, Yale Law alumnus and law school teacher.

What is more, his friends did not circulate for years in Washington telling persons such as myself that there was, in this fair land, a man named Clinton who would lead the Liberal Restoration. What they decidedly were not promising was a president who, on critical civil liberties issues, was no different from the man he defeated or the man he is likely to face in November.

The Liberal Restoration, of course, is out of the question — and, in certain areas, that is a good thing, too. But civil liberties are not exclusively a liberal preoccupation; conservatives care, too. (The Wall Street Journal, for instance, faults Mr. Clinton for supporting Megan laws.)

In this area, Mr. Clinton has played directly to the crowd, forgetting or neglecting his role as protector of the constitution — not to mention the rights of Americans not in the mainstream.

The president speaks frequently about victims and their rights (a totally unnecessary constitutional amendment has been proposed in that regard), children and their rights, families and their rights. Yes, they all have their rights — but not, willy-nilly, to restrict the rights of others.

In other words, the desire of a parent to shield a child from cybersmut does not supersede the right of the rest of the people to a free press — even one that sits on the desk at home.

To measure Clinton against Dole in this one area gets one nowhere — and the president knows it. But to measure Clinton against Clinton — the promise versus the reality — is a different matter entirely. In that matchup, ambition has triumphed over principle. Americans' rights, along with the Clinton presidency itself, have been diminished.

The Washington Post.

Eyes Peeled, Café Closing

By Samuel Abt

LAHEYCOURT, France — "It's a nice village, nice enough," the man said. "Calm. Unchanged for a long time." He looked up and down Laheycourt's main street, the rue Général Porson. "Poor," he decided. "Poor."

The houses in sight, most of them two-story stone row houses, some of them modern tract homes, looked nice enough. But the man said he was a lifelong resident of this village in Lorraine, so he should know.

A couple of other men waiting for the Tour de France to pass through said most people worked in the few steel factories still active in the area, or on farms. The Tour's roads through Lorraine, in eastern France, pass one vast farm — wheat, corn, potatoes — dotted with villages dozens of kilometers apart.

"It's pretty enough here," said the gendarme blocking traffic on an approach road to the main street. He was from another village, 50 kilometers away. "Champagne is prettier country than Lorraine in places," he said, "and Lorraine is prettier country than Champagne in places." That seemed to sum it up for him and, looking down the road to make sure the Tour wasn't approaching, he waved some cars through.

The civic pulse beats slower in *la France profonde*, deep France, than it does in the cities. At the town hall, the most prominent notices announced a trout fishing contest in the river Chée and a lecture, with slides, about developing the memory. Yes, all streets would be closed to traffic hours before and minutes after the Tour de France whizzed into and out of the village.

Which was why the visitors had stopped in Laheycourt. They were with the Tour and had gone ahead of the race to find food.

The village had one café and the two men seated at the bar were eating French sandwiches: a meter of bread surrounding a slice of ham thin enough to watch the Tour through. The sandwiches looked enticing to people who had not eaten since breakfast, eight hours earlier.

Two ham sandwiches. No ham sandwiches left. Two cheese sandwiches. No cheese sandwiches left. In that case, two ham and cheese sandwiches. The man behind the bar smiled.

What sandwiches were available? No sandwiches were available: There was no more bread. The day was Wednesday and the village bakery was closed. Even if it had been open, there was no more ham or cheese or sausage or lettuce or tomato or jam.

Outside, the posted menus offered, among other starters, warm goat cheese salad or the gourmet salad of greens with foie gras and smoked salmon. Each cost 40 francs (about $8). For a main course, choose among the fish, *lotte* or *sandre*, or try the dozen snails Alsatian style (68 francs). The slab of beef in port sauce was 75 francs.

Price was really no object. If it had been, the café offered pizzas, too, and onion tarts.

Everything on the menu, the man behind the bar explained, was as available as a sandwich. Which is to say, not at all. The kitchen had closed early because the Tour de France was passing through. In a few moments, the café would close entirely so that everybody could see the race. The kitchen would reopen in three hours if the visitors cared to wait. Alas, they couldn't.

They found instead a small grocery store whose stock of food other than canned goods was bananas. Rich in potassium, which reduces leg cramps, a banana is otherwise not as satisfying a lunch as, say, a gourmet salad with foie gras and smoked salmon, but it is infinitely more satisfying than the memory of breakfast.

Eating his bananas, one visitor was reminded of a story: More than a decade ago, an imperious Frenchman, Jean de Gribaldy, was the *directeur sportif*, or coach, of a professional bicycle team that he recruited, trained and clucked over with more than moderate success. The team, then sponsored by Sem, a manufacturer of grass seed and other agricultural wonders, was run on a small budget and won its share of small races and parts of bigger ones. But it was habitually crushed in the Tour de France by the Panasonic team, a powerhouse that operated on a much bigger budget.

Now de Gribaldy, the man said, fancied himself an expert on, among other items, riders' diets. He preferred fish to meat, for example, and insisted on small portions. He was particularly opposed to bananas as a food, feeling that they did not digest easily and sat instead on a rider's stomach for hours, slowing him in decisive sprints.

In one Tour de France, de Gribaldy's team was being overwhelmed as usual by Panasonic for all the major prizes and stages, managing only to reap crumbs. One morning, leaving the hotel they shared, members of the Sem team saw the Panasonic riders receive part of their rations for the day — the sandwiches, pastries and sweets they would carry in the back pockets of their jersey until they reached the halfway feed zone and received more of the same, on the fly-past, in a muslin bag. What the riders were being given in abundance as sandwiches were long pieces of French bread with the soft white removed and replaced by bananas.

"Look, look" a Sem rider said to de Gribaldy. "We can't eat bananas but Panasonic eats bananas."

De Gribaldy, the man said, did not skip a beat.

"Thank God," he replied. "If they didn't eat those bananas, they'd win everything in sight and there would be nothing left for us. Thank God they eat bananas."

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MEANWHILE

LETTERS TO THE EDITOR

Crossroads for Turkey

Regarding "A Cynical Turkish Marriage Under the Army's Gaze" (Opinion, July 11) by Jim Hoagland:

The writer refers with some justification to the "shabbiness of what happened in Ankara." We, the Turks, also deplored it, but such dealing is not unheard of in other Western democracies.

It should also be remembered that Washington is also one of Turkey's privileged partners. The U.S. aid and military equipment provided to Turkey are by no means favors. Every penny spent on Turkey returns to the U.S. economy with a multiplier effect.

The chronic instability of Muslim countries has many causes other than religion: ethnic rivalries, artificial boundaries drawn by colonial powers, the spectacularly unequal distribution of wealth. Islam offers solace in a world of injustice, continuity in a world of upheaval, brotherhood in a world of strife and free expression in a world of oppression. Political opposition expressed in religious terms acquires almost automatic legitimacy.

The West hardly mentions the economic plight of much of the Muslim world — a bizarre omission given the coincidence of Islamic fundamentalism and high unemployment among the fast growing populations of Islam. In the Islamic world most regimes — from the Gulf sheikdoms to the Western-influenced secularists of Egypt — have failed their people either economically or socially.

For an Islam ready to look to its future, not its past, Turkey is needed to demonstrate a viable model. The Welfare Party has a considerable presence in the Turkish Parliament and local governments. Now, in government as a senior coalition partner, it will voice its views freely and demonstrate how it is delivering the promises made in opposition.

Turkey is at another crossroads. Only secular, genuine and strong democracies can survive the test of Muslim fundamentalism. We have no choice but to experiment. A Turkish synthesis of modern capitalism, plural democracy and Islam may emerge.

MEHMET OGUTCU.
Paris.

China's Example

Regarding "Western Criticism of Asians Needs Rethinking" (Opinion, July 6) by Gregory Clark:

The writer downgraded China to the rank of lesser nations when he compared its suppression of Tibetan separatists and nationalists with the treatment the Kashmiris, Tamils, Kurds, Chechens, and quite a few other peoples have received. China is one of the five big powers. It is expected to set a good example. Furthermore, the Tibetans have not resorted to armed struggle, and their leader, the Dalai Lama, has deservedly been awarded the Nobel Peace Prize. The noble Tibetans deserve what they wish for.

LAO MONG HAY.
Phnom Penh.

One Currency's Price

Regarding "What Price Europe's Monetary Union? Joblessness" (July 10) by Alan Friedman:

This understated article deserves attention and further discussion. Accepting a policy of reducing public expenditure to pursue the "dream" of a European single currency, thus allowing 18 million jobless people to suffer, surely requires more public debate. Europe's leaders, who "appear prepared" to do just that, should answer some basic questions. What is the purpose of society? Of government? Is it not the well-being of people? Let the people who are told to get used to unemployment be heard.

BERTRAM A. WEINERT.
Nice.

Alternative Medicine

Regarding "Medicine's Counterculture" (June 18):

The article states that in 1993 one in three Americans turned to unconventional therapies, and notes that "the explosion of 'alternative' remedies alarms experts."

Why are patients seeking alternatives? Medical orthodoxy fails its patients in some basic areas. Obesity has reached epidemic proportions in the United States, and diet is implicated in heart disease, diabetes, and some forms of cancer, but few American medical schools are educating physicians to give nutritional guidance.

Another report (*"Arrogance, Bad Scheduling; the Doctor is Running Late," American Topics, June 15*) is revealing. As hospitals engage in cost-cutting and doctors are chronically overscheduled, physicians increasingly rely on pathology reports for diagnoses, rather than patient interviews and thorough exams.

It is not hard to understand the attraction of health practitioners who still actually touch their patients, as in the practice of shiatsu. And in such an environment, physicians risk missing a crucial component of health that defies laboratory quantification: how do mind and body interact? At a time when even psychiatrists are more apt to dispense Prozac than talk to patients, who's listening?

MELANIE DRANE.
Tokyo.

'Human' Will Do

Regarding "Black, and White Too" (Opinion, July 13) by Lise Funderburg:

Any official categorization of citizens by race, once it is bureaucratized, can easily be used for purposes quite different from those intended. Nazi Germany is a good example. All government programs based on race are likewise misguided, futile and ultimately pernicious. When confronted with the sorts of forms Ms. Funderburg refers to, there is only one proper response: Write "human."

L. de ARRIZABALAGA y PRADO.
Madrid.

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14 Post-weeding blues
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16 Nabisco snack
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20 Neither's partner
21 Native Oklahoman
22 Duel personalities
23 Loch of song
26 Doberman doc
27 Bray
29 Spacewalking initls.
31 School zone caution
35 The sun, in Sonora
36 Sharp-witted columnist Molly
38 —— nutshell
39 Moviegoer's question
42 —— Grande
43 Casino employee, maybe
44 Make one's case
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47 Bernardo's bear
48 Most important figures
49 Devil's disciple?
51 Sequel
53 Noted Seminole chief
57 Formerly named
58 Radio operator
61 Partygoer's question
64 Venetian resort
65 "—— Navidad!"
66 Get through the cracks
67 Tore (off)
68 Scorecard
69 Bismarck's state: Abbr.

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1 Spot for tennis
2 Repeat exactly
3 Fort Sumter locale
4 Riled (up)
5 Ride up the mountain
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8 Doesn't feel right
9 Apropos
10 Labor savers
11 Heavy metal
12 More than an argument
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19 One in the hand?
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25 Flesh out
27 Certain beneficiaries
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41 —— Mountains
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48 Informal, as conversation
50 1994 Men's Downhill gold medalist Tommy
52 Smithy's need
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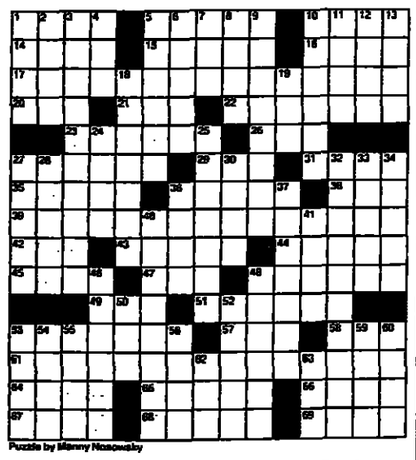
62 Building wing
63 Hither and ——



Puzzle by Manny Nosowsky

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Solution to Puzzle of July 16

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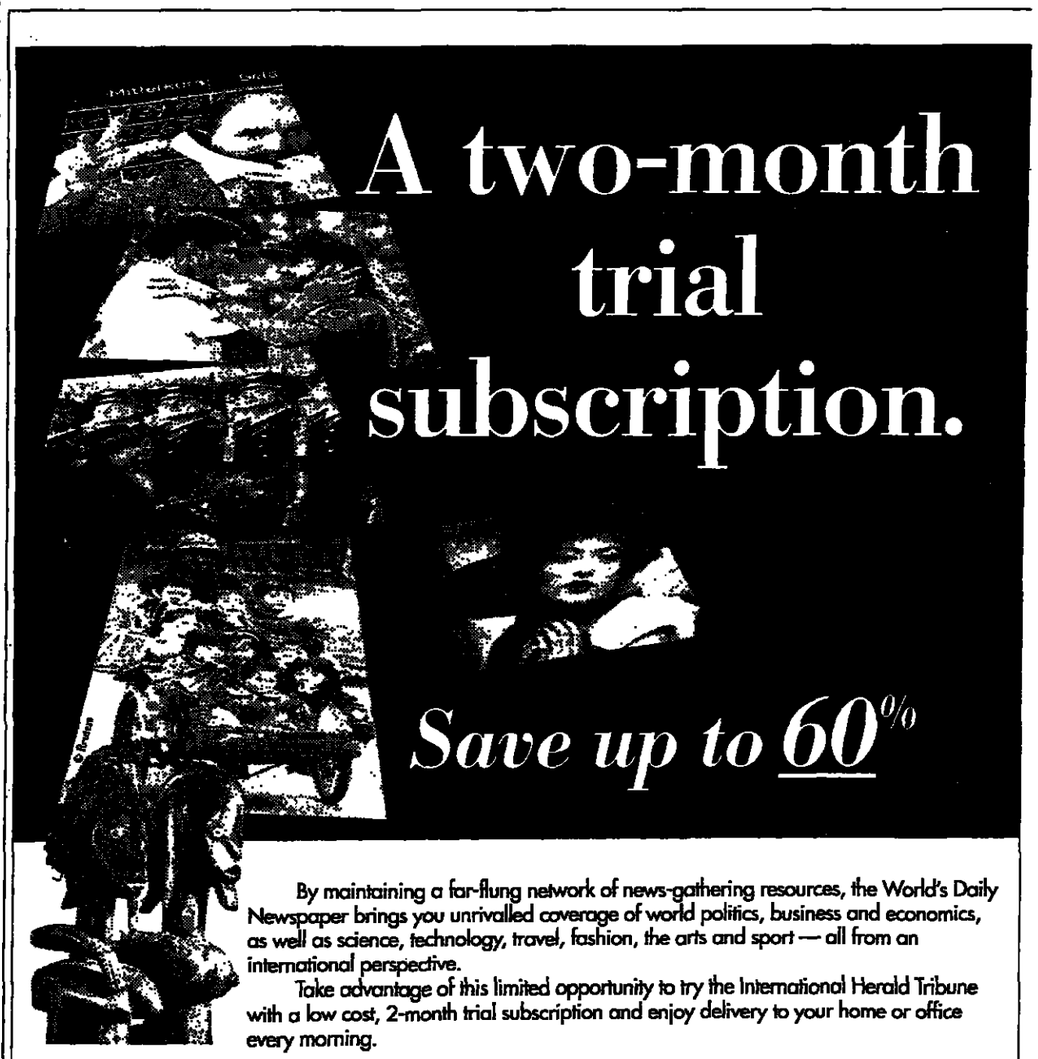

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Michael le Poer Trench

A scene from the Boublil-Schonberg "Martin Guerre" at the Prince Edward.

A Musical Masterpiece

By Sheridan Morley
International Herald Tribune

LONDON — For the third time in little more than a decade, or so it would seem from all but about two of the first dozen reviews of "Martin Guerre," Alain Boublil and Claude-Michel Schonberg have written a great and classic musical that nobody likes except the public.

When they come to write the history of our theater in the second half of this century, they will, I now firmly believe, come to realize that

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one team outclassed in ambition and sometimes also in achievement even Lerner-Loewe or Rodgers-Hammerstein or Rodgers-Hart.

What Boublil-Schonberg give us at five-year intervals are the operettas of our time: great soaring scores, heartbreaking books and lavish stagings bringing to rich theatrical life moments when French history at home or abroad was on the turn.

But overwhelming, epic emotions on the broadest of scales are oddly unfashionable in a minimalist stage age. When "Les Misérables" first opened at the Barbican 11 years ago and I suggested that it was the musical of this half century just as securely as "Porgy and Bess" was of the first, I was told that it was on the contrary too long, too French, too obscure in plot and intention.

"Martin Guerre" is, in its own very difficult way, as much a masterpiece of musical magic and mystery as "Les Miz."

Once again the setting is France, but this time in the Basque borderlands of the Middle Ages. We are somewhere in the 16th century, and a man has returned from religious wars to a village claiming to be the Martin Guerre who left it and a young wife several years earlier.

This much will be familiar to anyone who has seen the French movie version or the American one ("Sommersby"), but there all similarity ends. Boublil-Schonberg have transformed "Martin Guerre" from an identity thriller to the story of an isolated, incestuous community in social, familial and ecclesiastical turmoil.

The new story, lighter and brisker than "Les Miz" and still richer in plot and character, is again the story of a community in historical crisis, and again told through the trumpets and drums and cellos of an orchestral masterpiece, under the guidance this time of Jonathan Tunick.

Sure, there are times when "Martin Guerre" (at the Prince Edward) resembles an unholy wedding of "Brigadoon" and "The Crucible" — echoes of Arthur Miller and the choreographer Agnes de Mille (brilliantly saluted by Bob Avian in a series of floor-stamping routines) are everywhere. There are also echoes of "Don Giovanni" and even "Macbeth" as three old crones foretell the troubled future of their hero.

But in the end, "Martin Guerre" belongs to nobody but itself. Declan Donellan as director wondrously brings his experience with his Cheek by Jowl and other revolutionary small-scale touring companies to recreate the tensions of an isolated village community.

The lyrics of Edward Hardy, Herbert Kretzmer and Boublil himself wonderfully counterpoint the soaring strings of Schonberg in Tunick's breathtaking orchestrations. A song like "All I Know" will become a classic wherever great show songs are sung, and as the ghosts of all the great storytellers of world history gather around this legendary folk tale, as the putative Martin Guerre is christened, already in the crucifix position, a Protestant in a very Catholic community, we begin to understand that this is something even more than a "Devil's Disciple" set to music.

This remains an intimate tale of prejudice and passion, love and other loyalties, and if its central casting is a little uncharismatic (neither Iain Glen nor Juliette Caton quite yet manage to rise to the huge demands of the show), we are more than compensated by a supporting cast of rare brilliance led by Michael Matus as the holy fool who acts as crippled narrator to these terrible events.

Dark Love, Awful Death

By Joan Dupont
International Herald Tribune

AVIGNON, France — Here, where popes and power brokers played, Jean Vilar opened the first festival in 1947 with Shakespeare's "Richard II." The founder had a genius for casting the kind of historic drama that suited the historic Palais des Papes — Vilar and Maria Casarès in "Macbeth," Gérard Philipe and Jeanne Moreau in "Le Prince de Hombourg."

The papal courtyard, which seats 2,000, has weathered protest, The Living Theater, Pina Bausch and Maguy Marin. Ariane Mnouchkine, Daniel Mesguich and Antoine Vitez have had their way with the classics, and some famous first nights have been booed.

On this 50th anniversary, Christopher Marlowe's "Edward II," directed by Alain Françon, opened the festival with fracas. "The Troublesome Raigne and Lamentable Death of Edward the Second" is the history of the homosexual king who neglected his wife and kingdom for the love of his minion. The production, which goes to the Odéon in Paris this fall and tours through April, came under attack, first by the powerful wind known as the mistral, which has a way of lifting actors' voices into the firmament, and then by critics who found Françon's austere staging of the three-hour drama chilling: "Edward II is not Richard II" ran a headline.

"Indeed, Edward is not Richard, and Marlowe is not Shakespeare," Françon agrees, "but without Edward II, Shakespeare would never have written Richard II."

Marlowe, born in 1564, as was Shakespeare, had an impact on the bard's historic Richards and Henrys. Radical in his life, succinct in his verse, dead at 29, Marlowe's work strikes a modern chord; he wrote a half dozen plays with few metaphors and no happy endings. Homosexual, atheist and possibly a spy for the crown, his violent death — he was stabbed in the eye — may have been retribution for lawless ways. This bizarre murder, right to the core of the writer's vision and imagery, troubled Shakespeare. As for King Edward, who reigned so badly (1307-27), he was impaled by a branding iron.

"Marlowe's theater is brilliant, diabolically constructed," Françon says. "The short scenes — almost jottings — fly by so fast, and I went for that pacing. With the actors, we never talked psychology, we talked text. The characters are in flux — that's the beauty of it — they're not all of one piece, and there's no Shakespearean moralizing."

THE king (Carlo Brandt) acts infantile one minute, tyrannical the next; his wife (Dominique Valadié) starts out a pathetic creature and becomes an Amazon. Gaveston (Michel Didym), the upstart boy-toy, is secretive, manipulative — "I've seen an English version in which he's a raging queen," the director says.

Marlowe's anarchism, his sense of doom and his early death, have given him a following: Roger Planchon and Bernard Sobel staged "Edward," Stuart Seide "Faust." Françon was impressed by Patrice Chéreau's "Massacre at Paris," as well as Derek Jarman's film "Edward II," and Anthony Burgess's novel "A Dead Man in Deptford."

Françon was just appointed director of the Théâtre de la Colline in Paris, but there are critics who bridle at his unsentimental treatment of classics.

"They called my Chekhov heretic, and my Feydeau crypto-Marxist — I love it!" the director says. "I'm not for piling on emotion, for setting a samovar on stage and saying, 'This is so Russian, we have to cry.' The play's the thing, the emotion follows."

Françon uses few props — a crown, a child's chair for a king in regression. Sliding panels open on royal intimacies, close in on treacherous conspiracies.

In the end, the king is dethroned, imprisoned in a sewer, shorn of his beard, and laid out naked to receive his terrible punishment.

"This fifth act is what makes Edward II a great play, more than just a historical or social drama," Françon says. "It's Dante's 'Inferno,' the fall of man — our fall. Shakespeare couldn't have written that fifth act."

Lyle Lovett: Not Naming Any Names

By Jon Pareles
New York Times Service

NEW YORK — In an alley in Manhattan, Lyle Lovett is checking out a motorcycle. He's wearing a black suit, buttoned high; his hair, formerly an "Eraserhead" pompadour, has now recognized the law of gravity.

The motorcycle is a limited-edition Ducati, a sleek red-and-white machine with a larger engine than the standard model; there are only 50 of them in the United States. "It has its own sound, very smooth, kind of throaty," Lovett says. "Once you hear it, you'd recognize it."

Lovett has ordered his own Ducati, but he won't be picking it up until the end of his summer tour, after he performs at the Theatre at Madison Square Garden on Sept. 7. This one belongs to David Bouley, the chef-owner of the celebrated Bouley restaurant in TriBeCa, with whom Lovett regularly goes off-road riding in Texas and Mexico.

One of their destinations gave its name to Lovett's sixth album, "The Road to Ensenada," which has just been released. On another trip, around Lovett's hometown, Houston, the songwriter introduced the chef to Dairy Queen and barbecue.

"We had every different kind of barbecue," Lovett says. "Brisket, pork, beef rib, sausage, chicken. My dad's a good barbecuer, and David asked my dad if he would come up and barbecue when he opens his new place next year. He also asked him about his sauce. But no barbecue chef in the world will tell you what's in the sauce."

Michael Wilson/MCA

On "The Road to Ensenada," wryly chauvinistic songs about Texas.

ON "The Road to Ensenada," there are wryly chauvinistic songs about Texas, cheerful songs about meeting women and bleak ones about breakups. It's the first album of new songs to be released by Lovett since his 21-month marriage to Julia Roberts, which generated a tabloid frenzy and has left him a little like his archetypal barbecue chef: hospitable but circumspect about a few secret ingredients.

During his marriage, in 1993, he recorded "I Love Everybody," a collection of songs from the early 1980s, when he was playing clubs around Texas. "Because of the timing in my personal life, I thought it would be more interesting to do things that were declared to be old," he says. He doesn't have to point out that no one could infer anything from decade-old songs.

Not that Lovett was ever exactly straightforward. On the six albums he has made in the last 10 years, Lovett has concocted an ingeniously ambiguous persona matched to polymorphous music. He made his first albums through MCA Records' country division in Nashville, but he never settled into one genre.

True to his Texas roots, he dips into Americana from gospel to big-band jazz. Through the years, his band has grown into the Large Band, which includes everything from pedal steel guitar to cello to rhythm-and-blues horns. He treats the band as two or three interlocking groups, playing one song as a country ballad, another as a blues, another as earnest singer-songwriter pop or western swing.

"The song tells you what to do," he says. "You have to really pay attention to the song, and let the song dictate everything." But it's not so easy a process. In "Private Conversation," the lyric advises, "Play that steel guitar," and a quiet steel guitar note floats in to answer Lovett's voice. "You don't think that's too obvious?" Lovett asks.

Lovett's honey-cured voice has the ring of honesty; smooth and throaty and aching. Yet while the sound seems to be kindhearted and trustworthy, the characters in Lovett songs can be sad sacks, con artists, even murderers.

The voice asks for sympathy the characters don't always deserve. In "I Can't Love You Anymore," the most countryish song on the new album, the singer says goodbye to a girlfriend, calling her his "angel in distress," yet calmly declares, "I'll get over you."

Elsewhere on the album, however, are songs without twists, with telling images of betrayal and loneliness. One, "It Ought To Be Easier," is about a man trying to break away from a desolate relationship, in which "it's just out of weakness that both of us stay."

In "Christmas Morning," an increasingly bitter character starts wondering why a checkout girl tells him to "have a great day," and goes on to question the honesty of his wife's wedding vows.

AND in the context of the album, "Promises," which appeared on the soundtrack of "Dead Man Walking," sounds less like a murderer's confession than like the words of someone who has gravely wronged a lover.

"It's no surprise that writers would try to draw parallels to my personal life," Lovett says, a tremor of discomfort in his voice.

"That makes sense. And some of the feelings from that relationship are represented on the album. But the songs don't represent any specific kind of situation or anything that happened. In fact, some of those songs were written before I was married. And you know, I've always written about this stuff. There aren't really any more breakup songs on this album than on my other albums. The feelings are primal, and it's a good place for ideas."

"I think it's possible to write about feelings without drawing a map, to 'X marks the girl,'" he adds. "You owe a certain degree of respect to your girlfriends. But on the other hand, the subject matter really isn't just made up. It's like real feelings from real situations, depicted in songs. Songs contain elements of fact. I'm not smart enough to, like, make things up. But I wouldn't want to be confessional to the point that someone could say, 'This is obviously about this because of something I read somewhere.'

"When I was doing 'The Player,' Robert Altman said once on the set, 'It's not factual, but it's true.' That's what you shoot for. In a way, I'm like a reporter. But I don't necessarily have to tell the truth."

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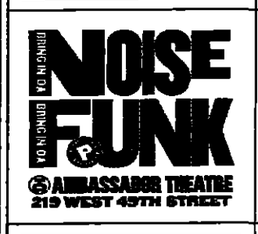
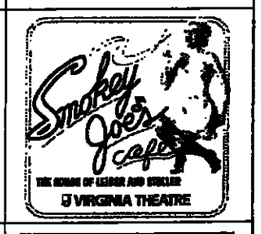
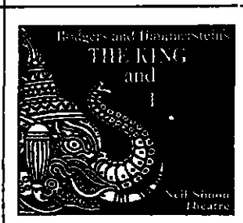
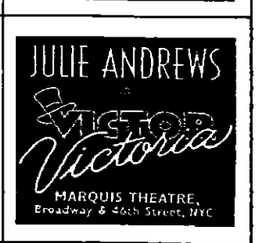








For ticket prices & availability call The Broadway Line in N.Y.C. 212-563-2929. CELEBRATE BROADWAY is a registered trademark of The League of American Theatres and Producers, Inc.

NYSE

Tuesday's 4 p.m. Close

Nationwide prices, not reflecting late trades elsewhere.
The Associated Press.

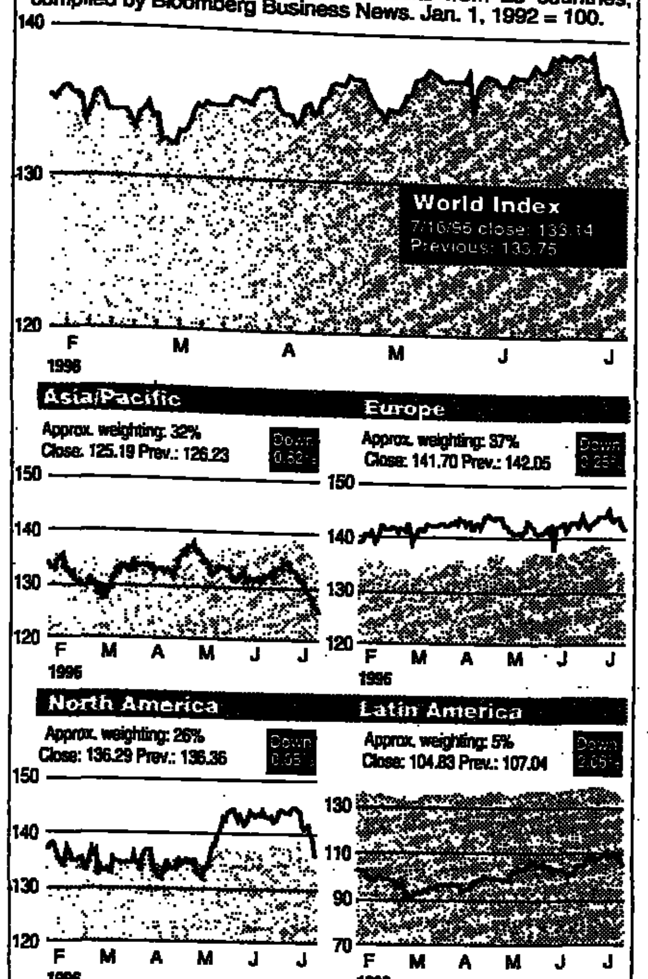
12 Month High	12 Month Low	Stock	Div	Yld	PE	Sls 100s	High	Low	Latest	Chge
		A-B-C								

Continued on Page 19

Herald International Tribune
BUSINESS / FINANCE
WEDNESDAY, JULY 17, 1996

THE TRIB INDEX: 133.14 Down 0.45%

International Herald Tribune World Stock Index ©, composed of 280 internationally investable stocks from 25 countries, compiled by Bloomberg Business News. Jan. 1, 1992 = 100.



The index tracks U.S. dollar values of stocks in: Tokyo, New York, London, and Argentina, Australia, Austria, Belgium, Brazil, Canada, Chile, Denmark, Finland, France, Germany, Hong Kong, Italy, Mexico, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden, Switzerland and Venezuela. For Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization, otherwise the ten top stocks are tracked.

Industrial Sectors

	Tue. close	Prev. close	% change		Tue. close	Prev. close	% change
Energy	144.41	146.72	-1.57	Capital Goods	138.72	138.22	+0.36
Utilities	127.30	127.11	+0.15	Raw Materials	155.99	157.20	-0.77
Finance	115.02	115.59	-0.49	Consumer Goods	143.44	143.05	+0.27
Services	123.61	125.28	-1.33	Miscellaneous	131.75	134.51	-2.05

For more information about the Index, a booklet is available free of charge. Write to Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France.

© International Herald Tribune

U.S. Lets Netscape Sell Code System To Wired America

By Barry James
International Herald Tribune

The United States eased its policy on data scrambling Tuesday by allowing the Netscape Communications Corp. to sell an advanced encryption program on the Internet — but only to customers in America.

The program is described as a move toward a world of virtual shopping malls and banking, which require secure transmission of credit card and other financial information.

Encryption is a two-edged sword that matches the citizen's right to privacy against the official desire for intelligence about foes, crooks and perverts.

The U.S. government and the European Union are concerned about the extent to which encryption lends itself to nefarious purposes, such as covering over the traces of child pornography or terrorists.

On the other hand, defenders of encryption say the technology discourages crime by making credit and other financial information hard to uncover.

Only with the wide-scale commercial and private use of the Internet has data encryption become a serious issue. In the past, the United States regarded data-scrambling programs as military weapons, subject to the same export controls as tanks or jet fighters. But with businesses increasingly linked to customers, suppliers and vendors all over the world, demand is increasing for encryption technology to be made freely exportable.

As a condition for selling the program over the Internet, Netscape will require customers to provide their names, address and telephone numbers as well as an electronic mail address in the United States.

Netscape said that it would attempt to check that buyers are citizens or holders of permanent-resident visas. The software has been available for some time in stores, but many customers prefer to download programs from the Internet.

The software looks for a U.S. electronic address every time it is used. A government spokesman acknowledged that the system "isn't foolproof," but specialists said the safeguards would deter most users.

The software meshes with a technical standard announced early this year by Mastercard International and Visa International to improve the security of on-line credit transactions. The Internet connects many thousands of public and private computer networks into a global system.

The ruling that will permit Netscape to distribute the software by electronic means is in line with a recommendation issued from the National Research Council seven weeks ago, which said no law should bar the manufacture, sale or use of scrambling technology within the United States.

The council also urged the government to relax its export rules or risk finding foreign competitors moving to fill the gap by writing code that U.S. intelligence agencies would not be able to crack.

Last month, the Nippon Telegraph & Telephone Corp. began selling a powerful data-scrambling chip that could undermine U.S. efforts to restrict exports of encryption technology.

The council committee also said that the most effective U.S. encryption methods should be made available to foreign companies that agree to make their records available in plain text to U.S. law enforcement agencies.

Investors Reassess Economy

Dollar Tumbles Amid Stock-Market Turmoil

By Erik Ipsen
International Herald Tribune

LONDON — Turmoil in the American stock market cascaded into foreign-exchange trading on Tuesday, forcing the dollar into a steep one-day fall against major currencies.

In London, the dollar lost 1.52 percent of its value against the Deutsche mark and fell by 0.85 percent against the yen in London.

After weeks of worry over the U.S. economy overheating, currency markets on Tuesday suddenly turned 180 degrees, in a radical reassessment spurred by gyrating U.S. stock prices.

With a near-panic gripping Wall Street for most of the day, investors began to bet that the Federal Reserve Board would refrain from an expected rise in interest rates. Some investors also speculated the steep fall in stock prices was heralding a slowdown in corporate profits and in economic growth.

For the dollar, the combination of the two concerns was deadly. "The dollar has lost its two principal supports — a strengthening U.S. economy and expectations that the Federal Reserve would respond by raising interest rates," said Avinash Persaud, currency strategist at J. P. Morgan & Co.

Caught unaware by the turn in the dollar's fortunes and with many investors still relatively long in the American currency, analysts said there was a danger of the dollar rout gaining momentum in coming days.

U.S. companies paint a mixed profit picture. (Page 16.) Asian and European markets fall. (Page 20.)

But Mr. Persaud said the dollar's salvation may be in the bond markets, where prices rose sharply on Wall Street Tuesday because a new slower-growth, less upwardly biased interest rate scenario took hold.

The benchmark 30-year Treasury bond rose 16/32, to 87 9/32, to yield 7.03 percent, down from 7.07 percent on Monday.

As bond prices rally, foreign investors could be tempted back into a market they have shunned in recent months.

With bond investment flows typically four times those of equities, that could prove to be a major plus for the American currency.

The dollar began its decline Monday, tracking a 3 percent plunge in U.S. stocks amid concern that investors would quit the U.S. securities markets and sell their dollar proceeds, Bloomberg Business News reported.

"It started off as a Dow-linked story, but now all the levels have broken," said Peter Von Maydell, a currency strategist at First National Bank of Chicago. "I've modified my views on the dollar on the basis of today's price action."

The dollar closed at 1.4871 Deutsche marks in Europe after hitting 1.4783 DM, the weakest it has been since April

See DOLLAR, Page 16

The Bundesbank Hints at a Rate Cut

By John Schmid
International Herald Tribune

FRANKFURT — The Bundesbank on Tuesday dangled the prospect of a reduction in money-market interest rates as early as next week.

The German central bank, which has frustrated its European partners with the painstakingly slow pace of its rate reductions over the past three years, issued a brief statement that also explicitly ruled out any interest-rate increases for the foreseeable future.

As Europe's economies begin to gather momentum after a winter slump, the direction of lending rates has become a critical economic issue.

On Friday, the central bank of the Netherlands lifted its main money-market rate for the first time in nearly four years. The central bank of the Netherlands, like many European central banks, ties its policy on rates to that of the Bundesbank. Although the Dutch move was an incremental step, it raised fears that Europe's cycle of interest-rate cuts was finished.

The terse statement from Hans Tietmeyer, the Bundesbank president, was clearly aimed at neutralizing such anxieties. For his part, President Jacques Chirac of France on Sunday charged that French and German interest rates were "too high, far too high."

Mr. Tietmeyer's statement came as the dollar began to drop toward the psychologically important level of 1.50 Deutsche marks. The statement seemed to have little effect, however, as the dollar continued to plunge toward 1.47 DM before recovering slightly. It closed at 1.4855 DM in New York, down from 1.5158 DM.

The Bundesbank has been supporting the dollar at the expense of its own currency. A strong dollar keeps German exports competitive and, by extension, maintains hopes for a strong German economic rebound.

Mr. Tietmeyer pointed out the Bundesbank's governing council is to hold its next meeting on July 25 and will "examine whether the current central bank interest rates are appropriate."

"The Bundesbank has the interest to hold the interest-rate level stable for as long as possible or even to lower it further, if monetary conditions allow," he said. The German central bank has frozen its chief money-market benchmark at 3.3 percent since February.

By the time the directors sit down for the session, they will have the June figures for Germany's M-3 money supply, the Bundesbank's favored inflation barometer. If the annualized growth rate of the M-3 money supply continues to shrink and falls into single digits from 10.5 percent in May and 11.2 percent in April, it could give the Bundesbank cover for a move.

But any move is likely to be small. A big and sudden move leaves nothing in store for the future to keep alive expectations of falling rates. Those expectations are designed to keep the German currency soft and the dollar strong.

MEDIA MARKETS

Let the Advertising Games Begin

By Stuart Elliott
New York Times Service

NEW YORK — If commercialization and ambushing were Olympic sports, the Summer Games could be called off before they begin on Friday because the United States would have already won most of the gold medals.

The Centennial Olympiad, which continues through Aug. 4, will be the biggest and most lavishly sponsored ever.

The trade publication Advertising Age even declares it "the marketing event of the century" as advertisers spend an estimated $5 billion worldwide on Olympic-related campaigns, promotions and events. That includes the $675 million worth of commercial time — 20 hours of spots — that NBC has sold during 171.5 hours of Summer Games coverage.

As a result, the 250 or so marketers that have agreed to be sponsors, licensees or suppliers for the 1996 Games are in a mad scramble to find ways to stand out amid that advertising overload.

They must also figure out how to fend off the so-called ambush marketers that exploit Olympic and athletic imagery to create perceptions among consumers of official ties that do not exist.

"The clutter will be so enormous, I'm not sure the public walks away with any distinctive view of you," said David D'Alessandro, senior executive vice president of John Hancock Mutual Life Insurance Co. in Boston. Hancock paid $40 million to be a worldwide Olympic sponsor.

Even though "we find that extraordinarily beneficial," Mr. D'Alessandro said, "I'm to a point where I no longer believe a sponsor should buy any time on the games."

Rather, he said, marketers probably ought to concentrate their Olympic campaigns before and after the actual event. So while Hancock will run regular commercials during the Olympics, a special 90-second spot produced in-house — a paean to American athletes set to the Judy Collins version of "Amazing Grace" — will appear one time only, during the opening ceremonies.

Coca-Cola Co., the largest single Olympic advertiser, is spending an estimated $250 million on activities before, during and after the games.

That includes $62 million worth of commercial time on NBC to run a barrage of 100 different spots, created by more than a dozen agencies, for brands such as Coca-Cola Classic, Diet Coke and Sprite as well as celebrations of the opening and closing ceremonies.

"We're trying to be unique in the approach we take to make sure we don't just become one more sponsor," said Sergio Zyman, senior vice president and chief marketing officer of Coca-Cola. He attributed a 17 percent increase in second-quarter net income from the same quarter last year, which Coca-Cola announced Monday, to an extensive pre-Olympic campaign.

During the games the Coca-Cola blitz will feature what Mr. Zyman called "just-in-time" advertising: 17 commercials created fresh daily, presenting highlights of events and promoting themed pitches such as "world sports" and "sounds of refreshment."

The company is also blanketing Atlanta, its headquarters city, with everything from vending machines to "cooling zones" that will spray sweaty fans with water.

Yet even Coca-Cola has been ambushed in its hometown, Mr. Zyman said, as "Gatorade is sampling product on the streets." That sports drink, by Quaker Oats Co., competes against Powerade, the Coca-Cola brand that is the official Olympic sports drink.

Despite attempts by Olympic officials to end what they describe as parasite marketing, a number of companies without official ties to the Summer Olympics are pursuing "ambush" marketing campaigns.

A print ad for Gucci watches uses five colored rings evocative of the Olympic symbol, though Swatch watches are the official Olympic timekeepers.

The most relentless Atlanta ambusher is Nike Inc., which in a campaign by Wieden & Kennedy of Portland, Oregon, has appropriated almost every

See ADS, Page 20

CURRENCY & INTEREST RATES

Cross Rates — July 16

	$	£	D.M.	F.F.	Lira	D.fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.6755	2.611	1.1228	0.3314	0.1102*	—	5.4405*	1.3680	1.5338*	1.227	1.3315*
Brussels	30.855	48.11	20.5985	6.073	2.0234*	18.344	—	25.165	0.2822	22.40	24.40*
Frankfurt	1.5046	2.3388	—	0.295	0.9824*	0.8996	4.8542*	1.2181	1.3692*	1.0938	1.1849*
London (a)	1.56	—	2.3377	7.9237	2,388.36	2.6072	47.831	1.904	168.81	2.1411	195.945
Madrid	126.746	197.315	84.385	24.891	8.294*	75.149	4.0965	102.761	115.591*	92.259	—
Milan	1,529.75	2,384.19	1,018.35	300.19	—	906.90	49.45	1,238.65	12.953	1,114.20	12.059
New York (b)	—	1.5585	1.4855	5.0295	1,578.00	1.6673	30.58	1.2178	109.45	1.3685	125.46
Paris	5.092	7.919	3.3905	—	0.3222*	3.0191	0.1646	4.1285	4.6430*	3.7065	4.0275*
Tokyo	110.30	171.17	72.82	21.51	0.718	64.88	3.5377	88.27	—	80.36	0.8646
Toronto	1.3705	2.1273	0.9237	0.2666	0.0893*	0.8049	0.4388*	1.0955	1.2403*	—	1.073*
Zurich	1.2266	1.9069	0.8295	0.2419	0.8805*	0.7298	3.9756*	—	1.1287*	0.8936	0.9712*
1 ECU	1.2715	0.8176	1.9098	6.6246	1,942.13	2.1486	39.3489	1.5680	139.422	1.7408	161.153
1 SDR	1.4506	0.9318	2.1782	7.3863	2,216.73	2.4485	45.1815	1.7888	159.852	1.9729	183.844

Closings in Amsterdam, London, Milan, New York, Paris and Zurich, fixings in other centers; Toronto rates at 3 p.m.
*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9988	Fin. markka	4.5691	Malay. ring.	2.4878	Sing. $	1.4172
Australian $	1.2642	Greek drac.	237.41	Mex. peso	7.635	S. Afr. rand	4.441
Austrian sch.	10.55	Hong Kong $	7.737	N. Zealand $	1.4571	S. Kor. won	813.30
Brazil real	1.0047	Hung. forint	154.14	Norw. krone	6.45	Swed. krona	6.69
Chinese yuan	8.3365	Indian rupee	35.78	Phil. peso	26.14	Taiwan $	27.56
Czech koruna	27.29	Indo. rupiah	2329.75	Polish zloty	2.72	Thai baht	25.41
Danish krone	5.7875	Irish £	0.6252	Port. escudo	154.70	Turkish lira	83252.5
Egypt. pound	3.395	Israeli shek.	3.1885	Russ ruble	5128.00	UAE dirham	3.671
		Kuwaiti dinar	0.299	Saudi riyal	3.75	Venez. boliv.	471.50

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.5543	1.5543	1.5545	Japanese yen	109.12	108.66	108.21
Canadian dollar	1.3733	1.3724	1.3714	Swiss franc	1.2287	1.2256	1.2226
Deutsche mark	1.4983	1.4954	1.4924				

Sources: ING Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR). Other data from Reuters and AP.

Eurocurrency Deposits — July 16

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	5 1/2 - 5 9/16	3 1/4 - 3 3/8	2 3/16 - 2 5/16	5 11/16 - 5 3/4	3 5/8 - 3 3/4	7/16 - 9/16	4 3/8 - 4 1/2
3-month	5 5/8 - 5 3/4	3 3/8 - 3 1/2	2 3/16 - 2 5/16	5 13/16 - 5 7/8	3 3/4 - 3 7/8	1/2 - 5/8	4 3/8 - 4 1/2
6-month	5 13/16 - 5 7/8	3 7/16 - 3 9/16	2 1/8 - 2 1/4	5 3/4 - 5 7/8	3 7/8 - 3 15/16	3/4 - 7/8	4 7/16 - 4 9/16
1-year	6 - 6 1/16	3 1/2 - 3 5/8	2 3/16 - 2 5/16	5 7/8 - 6	4 1/16 - 4 3/16	1 1/16 - 1 3/16	4 5/8 - 4 3/4

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Close	Prev
Discount rate	5.00	5.00
Prime rate	8 1/4	8 1/4
Federal funds	5.00	5 1/4
3-month CDs	5.15	5.15
CP 180 days direct	6.11	6.11
3 month Treasury bill	5.12	5.14
1-year Treasury bill	5.44	5.58
2-year Treasury bill	6.20	6.27
5-year Treasury note	6.61	6.66
7-year Treasury note	6.70	6.75
10-year Treasury note	6.84	6.89
30-year Treasury bond	7.03	7.07
Merrill Lynch 30-day RA	4.82	4.82
Japan		
Discount rate	0.50	0.50
Call money	0.34	0.38
1-month interbank	0.56	0.56
3-month interbank	0.78	0.78
6-month interbank	0.91	0.91
10-year Govt bond	3.38	3.25
Germany		
Lombard rate	4.50	4.50
Call money	3.40	3.42
1-month interbank	3.40	3.40
3-month interbank	3.42	3.42
6-month interbank	3.47	3.47
	6.50	6.53

Britain		
Bank base rate	5 3/4	5 3/4
Call money	6.00	5 7/8
1-month interbank	5 3/4	5 3/4
3-month interbank	5 3/4	5 3/4
6-month interbank	5 3/4	5 3/4
10-year Gilt	7.98	7.93
France		
Intervention rate	3.55	3.55
Call money	3 7/8	3 7/8
1-month interbank	3 13/16	3 13/16
3-month interbank	3 15/16	3 3/4
6-month interbank	3 15/16	3 7/8
10-year OAT	6.49	6.57

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Crédit Lyonnais.

Gold

	A.M.	P.M.	Ch'ge
Zurich	384.85	385.00	+ 2.25
London	384.65	384.25	+ 1.50
New York	385.80	384.20	—1.50

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (Aug.)
Source: Reuters.

At Republic National Bank we run our business according to one fundamental principle: to protect our clients' capital as we safeguard its purchasing power.

It is a simple principle upon which we base our brand of financial conservatism: private banking built upon rigor, discipline and prudence. This sophisticated conservatism, vigorously pursued,

Headquarters of Republic National Bank of New York (Suisse) S.A. in Geneva.

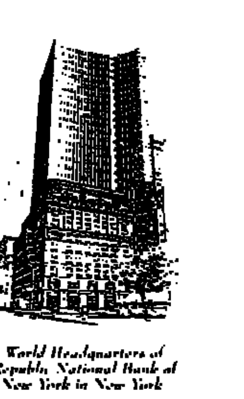
RIGOROUS. DISCIPLINED. PRUDENT.

AND PROUD OF IT.

has created a global private bank of exceptional stability, capable of weathering the roughest storms.

Indeed, Republic's capitalization ratio, on a risk adjusted basis, is *three times* as great as that required by the world's international banking regulators.

To our way of thinking, it is *security* as well as return that we must ensure each day. And in the process, to provide a unique quality of service, understanding and discretion.

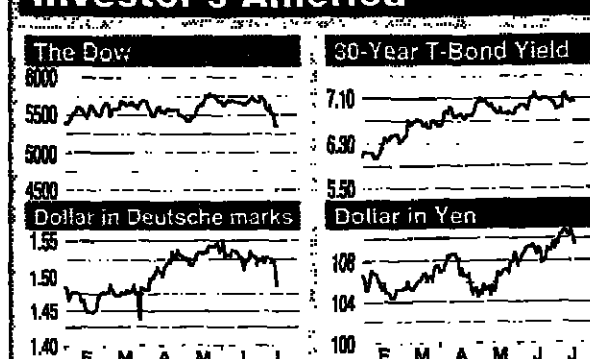


World Headquarters of Republic National Bank of New York in New York

Republic National Bank of New York
Strength. Security. Service.

THE AMERICAS

Investor's America



Exchange	Index	Tuesday Close	Prev. Close	% Change
NYSE	The Dow	5358.76	5349.51	+0.17
NYSE	S&P 500	628.37	629.80	-0.23
NYSE	S&P 100	605.70	606.07	-0.06
NYSE	Composite	336.79	338.67	-0.56
U.S.	Nasdaq Composite	1051.59	1059.86	-0.78
AMEX	Market Value	525.60	533.43	-1.47
Toronto	TSE Index	4920.59	4955.82	-0.70
São Paulo	Bovespa	82288.29	84650.50	[illegible]
Mexico City	Bolsa	2944.38	2916.55	+0.95
Buenos Aires	Merval	536.64	545.75	-1.67
Santiago	IPSA General	5596.36	5630.11	-0.56
Caracas	Capital General	4261.77	4328.59	-1.50

Source: Bloomberg, Reuters International Herald Tribune

Profits at Intel and Other Firms Jolt the Skeptics

Compiled by Our Staff From Dispatches

Intel Corp. and other major U.S. companies confounded Wall Street Tuesday by posting better-than-expected profits, helping the stock market recover from a huge loss.

The good news was not unanimous, and General Motors Corp. and Texas Instruments Inc. reported lower-than-expected results.

Intel said second-quarter earnings rose a better-than-expected 18 percent, to $1.04 billion on robust demand for its Pentium chip used in personal computers. Sales rose 19 percent to $4.62 billion.

The computer chipmaker said demand for its microprocessors and related products was strong, indicating demand for high-end PCs is "fundamentally healthy."

But at Texas Instruments, second-quarter profit plunged 73 percent, to $76 million, as a decline in semiconductor prices took its toll and royalty revenue from patents fell.

Other chipmakers and related companies have said that demand for computer chips was waning and falling prices have cut into profits. Motorola Inc. reported lower-than-expected results last week, and Hewlett-Packard Co. and Applied Materials Inc. have warned of disappointing results.

Texas Instruments said its results were hurt by a decline of between 65 percent and 75 percent in prices for dynamic random-access memory chip prices from a year ago, and said competitive pressures should continue in the near term. Intel, however, makes few memory chips, concentrating on processors and similar semiconductors, which face less competition.

Meanwhile, GM said its net profit fell 17 percent in the three months ended June 30, to $1.89 billion. The automaker blamed the decline on the costs of spinning off its Electronic Data Systems Corp. subsidiary and poor performance overseas, though North American car sales rose, as did profit at GM's Hughes Electronics Corp.

In other earnings reports:

- Eastman Kodak Co. said second-quarter earnings rose a better-than-expected 17 percent, to $440 million, helped by acquisitions at its Qualex Inc. photo-developing unit and the new Advantix camera and film introduced in April.
- Caterpillar Inc. said its earnings in the second quarter rose 16 percent, to a record $374 million, as the giant construction equipment maker reaped the benefits of two years of cost-cutting measures.
- Major U.S. banks reported higher second-quarter profits, aided by solid growth in consumer lending in the United States and strength in corporate banking overseas.

Chase Manhattan Corp. said earnings jumped 17 percent, to $856 million, on savings from its nearly $11 billion merger with Chemical Banking Corp. that created the nation's largest bank.

Citicorp, the No. 2 banking company, said profits rose 12 percent, Mellon Bank Corp. said earnings grew 4 percent and Banc One Corp. posted record results.

- Merrill Lynch & Co. said its second-quarter earnings rose 53 percent, to a record $433 million, led by gains in its corporate-finance divisions.
- Time Warner Inc. widened its second-quarter loss to $40 million, compared with a loss of $8 million in the like period last year. It said the cost of retiring $9 million in debt and buying cable TV systems offset strong performances in its cable TV programming and feature film units. *(AP, Bloomberg, Reuters)*

Tobacco Raises Philip Morris

Compiled by Our Staff From Dispatches

NEW YORK — Philip Morris Cos. said Tuesday its earnings climbed 15 percent in the second quarter, led by strong profit gains from its tobacco business.

The maker of Marlboro cigarettes, Kraft cheese and Miller beer said it had net income of $1.62 billion, or $1.97 a share, for the three months ended June 30, up from $1.41 billion, or $1.67 a share, a year earlier. Revenue rose more than 5 percent, to $17.5 billion

The maker of Marlboro cigarettes said profits rose from its food business, which has such brands as Kraft, Oscar Mayer and Maxwell House. But income slipped at its Miller Brewing business.

"The first half was a blockbuster," said Geoffrey C. Bible, the chairman.

He said the tobacco business worldwide showed "outstanding strength and vitality," while its North American food business posted solid volume growth. He said the food and tobacco businesses "have terrific momentum" for the second half.

But Philip Morris shares slumped 50 cents a share, to close at $100.375, on the New York Stock Exchange.

Worldwide tobacco income rose 15 percent, to $2 billion, as sales climbed 10.4 percent, to $9.2 billion, for the April-June period.

In the food business, worldwide income rose nearly 8 percent, to $1.0 billion, as revenue edged up 0.6 percent, to $7.0 billion. Its North American food business, Kraft Foods, posted a 7.5 percent increase in income from operations on a 2.7 percent revenue rise.

But income fell 3.6 percent in the Miller Brewing business to $159 million as revenue rose 1.1 percent. The company cited falling sales volume and increased marketing and manufacturing expenses.

Separately, the European Commission is investigating whether agreements between Italy's state cigarette monopoly, Administrazione Autonoma dei Monopoli dello Stato, and Philip Morris, which give the U.S. company 50 percent of the local cigarette market, hinder competition. *(AP, Bloomberg, Reuters)*

DOLLAR: *U.S. Currency Plunges on Turmoil in Stock Market*

Continued from Page 15

8 when it traded at 1.4740 DM. It traded at 108.71 yen, the weakest it has been since June 24 when it reached 108.62.

In New York, the dollar closed at 1.4855 DM, down from 1.5158 DM on Monday, and at 109.45 yen, down from 110.275 yen. The dollar also fell to 1.2178 Swiss francs from 1.2500, and to 5.0285 French francs from 5.1350.

The pound rose to $1.5585 from $1.5523.

"We're seeing a complete turnaround" in the currency market, said Martin Deblocq, the sales and executions manager at Nomura Bank. "The dollar is plunging to put it mildly and now that all these levels have been broken, it spoils the whole up move."

Gerry Celaya, the senior technical analyst at Amex Bank Ltd. said the dollar could fall to 1.4660 DM or even as low as 1.4600 DM.

The dollar was further undermined as a smaller-than-expected 0.1 percent rise in the U.S. consumer price index in June spurred traders to question whether the Federal Reserve's Open Market Committee would raise interest rates as fast and by as much as they had previously expected.

"The CPI numbers reopen the debate about how much they should tighten" and therefore weighed on the dollar, Mr. Von Maydell said.

The FOMC is to meet on Aug. 20. The target for the fed funds rate, at which commercial banks lend each other money overnight, is at 5.25 percent.

Mr. Von Maydell also said concern that the profit warnings issued by U.S. companies, which triggered the slump in the U.S. stock market, may have spurred talk that U.S. growth will slow in the coming quarters and therefore contributed to pessimism.

■ White House Sees Strength

The White House unveiled strong economic forecasts for 1996 Tuesday, while announcing it expected a sharply lower budget deficit, a combinationlikely to help President Bill Clinton's re-election effort, Reuters reported from Washington.

Releasing its mid-session economic review, the White House said it expected 1996 gross domestic product to grow by 2.6 percent this year, up from its previous forecast of 2.2 percent growth and 1995's 1.5 percent rise.

The economic review, which is compiled by the Office of Management and Budget, also projects the federal budget deficit to shrink to $116.8 billion from the $145.6 billion that it had projected as recently as March.

Very briefly:

Profit Warning Hits CompuServe

COLUMBUS (Bloomberg) — CompuServe Corp. shares fell 27 percent in afternoon trading Tuesday after the on-line service provider said it would report a first-quarter loss because of a drop in the number of subscribers and increased spending to improve its network.

H&R Block Inc. said it would spin off to shareholders its remaining 80.1 percent stake in CompuServe. The stock closed down $3, at $12.50. In April, Block sold about 20 percent of CompuServe in an initial public offering at $30 per share.

CompuServe is losing subscribers to fast-growing Internet-access services such as AT&T Corp's. "This is brutal and isn't going to help the outlook for the industry at all," said Lisa Thompson, an analyst at Unterberg Harris.

- **The Transportation Department** proposed to restrict certain **Japan Air Lines Co.** cargo flights. The action comes in response to Tokyo's refusal to allow **Federal Express Corp.** to fly cargo through Japan to points beyond in Asia.
- **Whirlpool Corp.** said its second-quarter earnings were unchanged from a year ago, at $52.0 million, as weak demand in Europe offset strong North American sales. Revenue rose 7 percent, to $2.27 billion from $2.12 billion.
- **Eli Lilly & Co.** said its second-quarter profit rose 12 percent, to $345.7 million as revenue rose 5 percent, to $1.7 billion, but the company's stock fell in late trading on disappointment that sales of the antidepressant Prozac rose just 5 percent.
- **Johnson & Johnson** said second-quarter earnings rose 20 percent, to $791 million, bolstered by strong sales of new drugs and devices for treating coronary artery disease. Revenue rose 13 percent, to $5.38 billion.
- **Sprint Corp.** reported a 29 percent rise in second-quarter profit, to $316.8 million, as its long-distance customers spent more time on the phone. Revenue rose 12 percent, to $3.51 billion. *Bloomberg, AP*

AMEX

Tuesday's 4 p.m. Close
The top 300 most-active shares, up to the closing on Wall Street.
The Associated Press

Stock	Sales	High	Low	Latest	Chge
AIM Str	772	9 11/16	9⅝	9 11/16	—
AMC	363	22½	20⅝	22	—⅞
ARC	917	2⅞	2 9/16	2⅞	—
Acadiana n	3112	13	11⅝	12	—
AckCom	972	26	21	25	—1⅛
Action	282	1 11/16	1 9/16	1 11/16	—⅛
AdvMed	497	2⅞	2 9/16	2⅝	—¼
AdvPhot	735	3¼	3	3¼	—⅛
AHaagen	202	12¾	12½	12⅝	—¼
Alfin	408	1 11/16	1⅝	1 11/16	—
AlldRsh	180	5	4⅞	5	+⅛
Alphaln	569	8 5/16	7 11/16	7⅞	—1/16
AlpinGr	793	4¼	3⅞	4	—⅛
Amdhl	5004	8 11/16	8⅜	8⅝	—1/16
ABodyAr n	235	7 1/16	7	7	—
AExpl	172	13	12¾	12⅞	—¼
Am List	256	27	26	26	—1
Amsol	958	4¾	4 9/16	4⅝	—⅛
Ampex n	16259	6 9/16	5⅝	6⅝	+1⅛
Andrea	373	12⅞	11	11⅛	—½
AngPor	321	⅝	½	⅝	—
AstLiving	590	18	17¼	17⅞	—
Astrotc	619	5	4⅝	4 11/16	—5/16
Atari	5844	5½	4⅞	5⅜	+¼
Audvox	178	4 13/16	4½	4 13/16	—⅛
Autotote	1400	1 15/16	1⅞	1 15/16	—
Azco	705	1 15/16	1 13/16	1⅞	+1/16
BAT Ind	360	15 9/16	15	15⅜	—
Baker	172	4 11/16	4½	4 9/16	—1/16
Baldw	218	3⅜	3¼	3¼	—⅛
Balnty n	1852	12⅞	10	11⅛	—2
BarrLb s	202	23⅞	22	22⅛	—1⅜
BSYn pw97	340	7⅜	7	7⅜	—¼
BemaGold	4820	3 13/16	3 9/16	3 11/16	—1/16
BenchE	307	30⅜	29⅝	29⅞	—⅜
BentPh s	506	3	2 13/16	2⅞	—⅛
BentPh wt	697	⅞	¾	¾	—⅛
BioR A s	465	28⅝	27½	28¼	—⅜
Biovail s	6920	25¾	20¼	24⅞	+3⅛
BlondT n	789	10⅛	8½	9⅝	—⅜
Bowmr	160	1 11/16	1⅝	1⅝	—
Bowne	597	20⅝	18⅞	18⅞	—1¾
Buffton	413	1⅞	1¾	1 13/16	+1/16
CE Fmk	176	2 11/16	2 9/16	2⅝	—1/16
CSTEnt	322	⅝	⅝	⅝	—
Cablvsn	804	39⅞	38⅞	39½	—⅛
Cablvs pf	325	24¼	23½	23⅝	—⅝
GST Tele	2151	11⅜	10½	11¼	—⅜
GaylCn	3941	6¾	5⅞	6 1/16	—⅜
GelmSci	1266	19⅞	19	19⅜	—⅛
GnAuto	1457	2⅞	2⅛	2¾	+⅛
GnEmp	503	9⅜	8¾	9 1/16	—⅛
GetchGld	372	33⅛	32⅜	32¾	—⅜
GiantFd	769	35⅞	33⅞	34¼	—1⅛
Glatflt	214	18	17⅝	17⅞	+⅜
Globlink	390	6⅛	5⅞	5⅞	—¼
GoVd wt	235	½	½	½	—1/16
GldStarR	857	13½	11⅝	13⅜	—
GldFld	789	¾	¾	¾	—1/16
GormRup	164	12⅝	12½	12⅝	+⅛
Grang g	974	1 11/16	1 9/16	1 11/16	—1/16
GreyLine	4022	3⅞	3½	3 11/16	—⅛
GrifGam	610	13¾	11⅝	12⅝	—1⅛
GrSmak	215	4½	4⅜	4½	+⅛
Gundle	216	5⅝	5⅜	5⅝	—
Halsey	357	4⅛	4	4⅛	—⅛
HangOr	394	5¼	5	5⅛	—1/16
HanvDir	827	1 7/16	1¼	1 5/16	—⅛
Han wtB	209	½	⅜	½	+1/16
Harken	3085	2⅞	2⅝	2¾	—
Harold	363	14⅞	14⅛	14⅝	—¼
Hasbro	2636	33	31⅝	32	—1
HowAir	699	4 5/16	3⅞	4	—
Hearx n	10728	5 5/16	3⅞	4	—1/16
Helco s	288	22⅝	18⅝	18⅝	—4
Hemlo g	993	11⅝	10½	10⅝	—½
HovnEn	173	5¾	5½	5¾	—1/16
HungTel	191	10	9⅝	10	—
IGI	460	6⅛	5⅞	6	—
Identix	3062	12	9⅞	12	+⅝
ImpCM n	244	15⅜	15	15¼	—⅜
ImpOil g	1788	41⅜	40	40⅝	—⅞
Intelcm	5482	19⅞	18½	19¼	+⅜
InClPd	953	3	2 13/16	2⅞	—
InterDig	4755	6 13/16	6⅜	6 9/16	—⅜
eclptrine	264	2⅞	1⅞	1⅞	—⅞
Intrmagn	1119	17⅜	14⅜	16	—1⅛
IRIS	252	8⅞	8⅝	8⅝	—⅜
Intrsystm	158	1½	1⅜	1⅜	—⅛
IonLaser	856	11⅝	10	11⅜	+⅜
IvaxCp	9160	14⅜	13	13½	—⅝
JanBell	440	2⅞	2 9/16	2¾	—¼
KFX Inc	175	6⅞	6⅝	6⅝	+½
KV Ph A	372	11⅜	10⅝	11⅛	—1
Keane	275	33⅝	32⅜	33⅜	—⅞
KeyEng	421	8¼	7¾	8¼	+⅛
Kirby	187	15⅝	15½	15½	—⅜
KnogoNA	358	10⅝	9 11/16	10⅛	—⅛
KogrEq	413	13¼	13	13⅛	—
LXRBiot	3964	2½	2	2⅛	+⅛
LaBarg	1528	6⅛	6⅛	6⅛	—
Refac	173	7⅛	6⅞	6⅞	—¼
RegalBel	437	18½	18 1/16	18¼	—
Riser	217	25⅛	24⅞	25¼	—⅛
RoyalO s	6384	4	3⅝	3⅞	—1/16
Rymac	300	2⅝	2⅜	2⅜	—⅛
SFeGu pf	579	⅝	9/16	⅝	—
Service	167	14	13⅞	13⅞	—⅛
ShefldMd	536	3⅝	3 7/16	3⅝	—
Silco	812	8¼	7⅝	8	—½
SPDR	40965	63⅛	60⅞	62 25/32	+1⅛
SP Mid	2650	[illegible]	[illegible]	[illegible]	+⅜
StevnA	386	2⅛	2	2	—⅛
Sulcus	512	2⅝	2⅝	2 9/16	—
SuretyC	207	4½	4 7/16	4⅝	—1/16
Techdyn	1221	31⅞	29	30⅝	—⅞
TelDta	1403	41⅝	39¼	41½	—⅜
TexBiotch	4046	2 11/16	2⅝	2⅝	—⅛
TexBi wt	285	⅜	5/16	⅜	+⅛
TexMer	551	12⅜	11⅞	12	—⅜
Thermed	1192	20⅞	20⅝	20⅝	—⅛
ThCar s	1621	34⅛	29½	34⅛	+1
TmEco	191	20⅜	20	20⅜	+⅜
ThmFib s	347	15⅜	14⅝	15⅜	—⅛
Thrlnst	643	31½	30⅝	31⅛	+¼
ThrOptk n	195	11⅜	10⅞	11⅜	+⅜
ThrSpec R	155	13	12⅝	13	+⅛
ThrVolt	686	16⅜	15⅞	16⅜	+⅜
Thrmolse	3242	23⅛	20⅝	22⅞	+1⅜
Thmtrst n	318	14⅜	14⅛	14⅜	—
Thrmotx	2358	37⅞	34⅞	35⅛	+¼
Thrmwd	287	2⅞	2 11/16	2⅝	—⅛
TopSrce	8629	5 1/16	4	4⅝	—1 1/16
TotPet	958	10	9⅞	9⅞	—⅛
TownCty	468	⅞	¾	15/16	—
TWA wt	339	8⅛	6⅝	8	—⅝
TWA n	11359	12½	9 15/16	11⅛	—⅜
TmsLx	376	11⅛	10	10½	—1
Tmsals	637	5⅜	5	5⅛	—1/16
TrsgMed n	778	20⅞	17⅝	20⅝	+1¾
TriTech	183	3⅝	3½	3⅝	—⅛
Triton	5714	1 1/16	1	1	—
TubMex	5049	9⅝	9⅛	9⅞	—
TurnB A	316	24⅛	22⅞	23⅜	—⅜
TurnB B	2093	24⅛	22⅞	24	—
US Alc	2232	2⅛	2	2	—⅛
UTI Eng	767	15⅛	12	14⅛	—
Uniplx	188	[illegible]	[illegible]	[illegible]	—
UniRob	901	1⅛	1	1	—⅛
US Bio wt	484	[illegible]	[illegible]	[illegible]	—⅛
USBiosci s	4898	[illegible]	[illegible]	[illegible]	—⅛
US Cell	574	[illegible]	[illegible]	[illegible]	—⅜
UtahM wt s	163	[illegible]	[illegible]	[illegible]	—⅛
Utahlbs	392	11	[illegible]	[illegible]	—⅛
VKAdMd	175	11	[illegible]	11	+⅛
VKSelS	347	[illegible]	[illegible]	[illegible]	+⅛
Viacom	7396	32⅜	29⅝	31⅛	—⅛
ViacB	33251	33	29⅜	32	—⅛
ViacwtC	740	[illegible]	[illegible]	[illegible]	—
ViacwtE	2710	[illegible]	[illegible]	[illegible]	—⅛
Viragn	513	[illegible]	[illegible]	[illegible]	—⅛
WRIT	527	[illegible]	[illegible]	[illegible]	—
WiRET	270	[illegible]	[illegible]	[illegible]	+⅛
WhitmEs	702	[illegible]	[illegible]	[illegible]	—⅛
WshTC	292	[illegible]	[illegible]	[illegible]	—⅛
Winstar s	5235	[illegible]	[illegible]	[illegible]	+⅛
eWkTob	347	[illegible]	[illegible]	[illegible]	—
WEBS Japn	484	[illegible]	[illegible]	15	+⅛
WEBS Mal n	305	14	[illegible]	[illegible]	—⅛
WEBS Sgp n	328	[illegible]	14	[illegible]	+⅛
WEBS Swzn	1049	[illegible]	[illegible]	[illegible]	+⅛
XCL Ltd	47699	¼	3/16	¼	—1/16
Cabletel	226	5⅜	4⅞	5	—⅛
Calton	275	[illegible]	[illegible]	[illegible]	—
Cambior	180	13	12¾	12⅞	—⅛
Cambrex	337	[illegible]	[illegible]	[illegible]	—⅛
CdnOcc s	695	[illegible]	[illegible]	[illegible]	—⅛
CenterIn	231	[illegible]	[illegible]	[illegible]	—⅛
CentrTr s	283	[illegible]	[illegible]	[illegible]	—⅛
CFCda g	2082	[illegible]	[illegible]	[illegible]	+1
CentSe	217	[illegible]	[illegible]	[illegible]	—⅛
ChadThr s	347	[illegible]	[illegible]	[illegible]	—1
Chmpl	430	[illegible]	[illegible]	[illegible]	—⅛
ChevySoft	7122	[illegible]	[illegible]	[illegible]	—⅛
Chief	487	22	[illegible]	[illegible]	—⅛
Citadel	363	[illegible]	[illegible]	[illegible]	—
Citizinc	198	[illegible]	[illegible]	[illegible]	—
CollLb	4213	[illegible]	[illegible]	[illegible]	—⅛
ColoEng	346	[illegible]	[illegible]	[illegible]	—⅛
Comforce	1492	[illegible]	[illegible]	[illegible]	—⅛
CmdrAp n	251	10	[illegible]	[illegible]	—⅛
CmdrA wt	316	[illegible]	[illegible]	[illegible]	—⅛
CompTch	189	[illegible]	[illegible]	[illegible]	+⅛
CmpMan n	333	[illegible]	[illegible]	[illegible]	+⅛
Comptek	482	[illegible]	[illegible]	[illegible]	—
Cross	400	[illegible]	[illegible]	[illegible]	—
CrnCP B	348	[illegible]	[illegible]	[illegible]	—
CrCmrl	1163	[illegible]	[illegible]	[illegible]	—
CrutsAm	215	[illegible]	[illegible]	[illegible]	—
Cyanotch	698	[illegible]	[illegible]	[illegible]	—
DI Ind	482	[illegible]	[illegible]	[illegible]	—
DakotaM	284	[illegible]	[illegible]	[illegible]	—
Datamet	2094	[illegible]	[illegible]	[illegible]	—
Dataram	345	[illegible]	[illegible]	[illegible]	+⅛
Daxor	176	[illegible]	[illegible]	[illegible]	+⅛
DavMan n	373	[illegible]	[illegible]	[illegible]	—⅛
DenAmer	297	[illegible]	[illegible]	5	—
DevnE	1644	[illegible]	26	[illegible]	—⅛
DiagRet	592	[illegible]	[illegible]	[illegible]	—⅛
Diacrin	1370	16	[illegible]	[illegible]	—⅛
DigiRCT	171	[illegible]	[illegible]	2	—
Donelly	360	[illegible]	15	15	—
Ducom	598	[illegible]	[illegible]	[illegible]	—⅛
EZ Serv	1395	2	[illegible]	[illegible]	—⅛
EchoBay	8845	10⅝	9⅝	9⅝	—⅜
Edisto	480	[illegible]	[illegible]	[illegible]	—⅛
EdlEk	2720	[illegible]	[illegible]	[illegible]	—⅛
ElPasoE n	619	[illegible]	[illegible]	[illegible]	—
ElcCm s	232	[illegible]	1	[illegible]	—
Emerit n	342	[illegible]	[illegible]	[illegible]	—⅛
EmerR	307	[illegible]	[illegible]	[illegible]	—
EmpCor	225	[illegible]	[illegible]	[illegible]	—
EnzoBi	2462	[illegible]	[illegible]	[illegible]	—⅛
Equinox	2363	[illegible]	[illegible]	[illegible]	—⅛
Equitot	320	[illegible]	[illegible]	[illegible]	—
FemHlth	215	[illegible]	[illegible]	[illegible]	—
Fibrbd	446	[illegible]	[illegible]	[illegible]	—
FlAusg	1948	[illegible]	[illegible]	[illegible]	+⅛
FlAusPr	3631	[illegible]	[illegible]	[illegible]	—
Fibet	225	[illegible]	[illegible]	[illegible]	—
ForstLb	2513	[illegible]	[illegible]	[illegible]	—
FortPet	703	[illegible]	[illegible]	[illegible]	+⅛
FrxEl	137	[illegible]	[illegible]	[illegible]	—
Fresenius	818	19	[illegible]	[illegible]	—
Frischs	347	12	[illegible]	12	+⅛
GA Fnd n	1032	[illegible]	[illegible]	[illegible]	—⅛
Landaur	169	21⅛	21	21	—⅛
Laser	1072	13⅝	11	13⅛	+⅞
LsrTech	146	5⅝	5⅜	5⅜	—⅛
LazKap	195	13	12⅝	13	+⅛
LeHK 98wt	184	3¼	3 1/16	3 1/16	—⅛
LehSTG wt	289	4	4	4	—
LilVern	353	12¾	12⅝	12⅝	—⅜
MAI Sy n	309	8	7¼	7½	—⅜
Magellan	1447	18½	17⅝	18	—¼
Marlton	153	2⅞	2⅞	2⅞	—
MaximPh n	1296	9⅜	8⅝	9⅛	+⅛
MaxmP wt	740	3⅛	2 9/16	2⅝	+1/16
Maxxam	262	37⅜	35⅜	36⅜	—1
MedSoci	156	3⅜	3⅛	3⅜	—
MedcR	705	9⅜	9	9⅜	—
Medeva	404	14½	13 11/16	14	—⅜
Media	555	3¾	32⅛	32⅝	—1⅜
MedicLog	514	5⅛	4⅞	4⅞	—⅛
Medis	714	5⅝	5⅛	5⅝	—
MLNik 97wt	201	3 9/16	3⅜	3 9/16	—1/16
MLCur pwt	200	8	7⅞	8	—⅜
Metromda	3174	9⅛	8⅝	9⅛	+1/16
Microlet	460	9/16	½	½	—1/16
MoogA	173	20⅞	19⅞	20⅛	—⅜
MS TBR n	228	62¼	58½	62⅝	—
MSNik 97wt	496	9⅛	8⅝	9	—
Manvat	1302	9 5/16	8 13/16	9	—1/16
MyersInd	470	15⅝	14⅜	15⅜	—
NTNCom	2224	5⅛	4 11/16	5	—⅛
NVR	521	10⅜	10⅛	10⅜	—
NVR wt	206	2	1⅞	1 15/16	—1/16
Nabors	4834	16½	14⅝	16⅛	—⅜
NtPatnt s	144	8½	8⅛	8⅛	—⅛
NatAlt	316	8⅝	8 1/16	8 5/16	—5/16
Nbertia n	185	24⅛	20⅛	20⅛	—4
NY Times	1793	29⅝	27⅞	27⅞	—⅛
NA Vacc	2192	15⅜	13⅜	14⅛	—⅜
Novavx n	1179	4⅛	3⅝	3⅞	—1/16
OSulvnC	1256	10⅜	10⅛	10⅜	+⅛
OmniMult	432	6⅛	6	6⅛	—⅛
Oncor	1185	4⅛	3⅞	4 1/16	—1/16
Oncormd	686	4	3⅞	4	+⅛
Organgn s	3659	14⅜	13⅜	13⅞	—
PC Quote	749	5⅜	4 15/16	5⅜	—⅜
PLC Sys	3181	14⅞	12⅞	13⅞	+⅛
PLM	2982	3⅛	3 1/16	3⅛	—1/16
PMC CT	213	15⅜	15⅛	15⅛	—
PacGulf	196	17⅜	16½	17⅛	+⅛
ParanC	448	10⅛	9⅞	10⅛	+⅛
PegGld	5435	12⅜	11½	11⅞	—⅜
PeriniC	459	11⅜	9⅞	11⅜	—
Phonet	338	4 9/16	4 7/16	4⅞	+1/16
PittwyA s	276	40⅜	38¾	40⅜	—½
PlnRsc	1471	13	12¼	12¾	—⅜
Polymed	282	5⅜	4⅞	5	—
Polyph	442	2⅞	2 9/16	2⅞	+⅛
PortSys	163	11/16	9/16	⅝	+1/16
PrpgLg	4877	13⅜	12⅜	12⅝	—⅜
PreCm	612	8 9/16	8	8 9/16	+⅜
Priceli s	351	11	10⅜	10½	—⅛
PsycCp	353	6⅜	5⅞	6⅜	+⅜
RF Pow	988	4⅝	4⅛	4⅝	+⅛
RaoGold	200	2⅛	1⅞	1⅞	—1/16

INTERNATIONAL FUTURES

July 16, 1996

Contract	High	Low	Close	Chge	Opint
Grains					
CORN (CBOT) 5,000 bu minimum- dollars per bushel					
Jul 96	5.35½	5.00	5.01¼	—0.30¼	4,136
Sep 96	4.19	4.04½	4.04½	—0.12	77,780
Dec 96	3.81	3.67¼	3.67¼	—0.12	180,132
Mar 97	3.84½	3.71¾	3.72	—0.11¾	28,364
May 97	3.87	3.74	3.75¼	—0.10¼	6,265
Est. sales N.A. Mon's. sales 66,262					
Mon's open int 31,041 off 277754					
SOYBEAN MEAL (CBOT) 100 tons- dollars per ton					
Jul 96	260.50	253.50	255.80	—4.50	3,720
Aug 96	258.30	250.80	254.00	—4.30	22,873
Sep 96	256.00	248.80	251.90	—4.50	11,774
Oct 96	253.00	244.80	248.90	—4.50	6,460
Dec 96	251.50	243.20	247.20	—4.30	27,611
Jan 97	250.20	243.50	247.00	—4.30	3,024
Est. sales N.A. Mon's. sales 26,329					
Mon's open int 80,696 off 134					
SOYBEAN OIL (CBOT) 60,000 lbs- dollars per 100 lbs.					
Jul 96	26.40	25.58	25.97	—0.41	1,789
Aug 96	26.45	25.68	26.07	—0.32	19,674
Sep 96	26.62	25.88	26.29	—0.29	14,707
Oct 96	26.80	26.05	26.48	—0.27	8,731
Dec 96	27.24	26.45	26.84	—0.38	29,691
Jan 97	27.40	26.65	26.95	—0.35	2,844
Est. sales N.A. Mon's. sales 25,271					
Mon's open int 82,752 up 598					
SOYBEANS (CBOT) 5,000 bu minimum- dollars per bushel					
Jul 96	8.41	8.14½	8.23	—0.18	2,008
Aug 96	8.38	8.09	8.20½	—0.17½	36,484
Sep 96	8.22¼	7.95½	8.07	—0.15¼	12,335
Nov 96	8.12	7.81	7.93½	—0.15¼	117,695
Jan 97	8.16	7.88½	7.99½	—0.16	9,441
Est. sales N.A. Mon's. sales 83,967					
Mon's open int 196,057 up 2678					
WHEAT (CBOT) 5,000 bu minimum- dollars per bushel					
Jul 96	4.91¼	4.74	4.80½	—0.10¾	2,082
Sep 96	4.94½	4.78½	4.83¼	—0.09¼	32,035
Dec 96	5.01½	4.86	4.93½	—0.05½	28,427
Mar 97	5.02	4.86½	4.95½	—0.01¼	4,981
Est. sales N.A. Mon's. sales 20,484					
Mon's open int 69,863 up 529					
Livestock					
CATTLE (CMER) 40,000 lbs.- cents per lb.					
Aug 96	68.00	67.17	67.92	+0.20	32,473
Oct 96	69.75	68.77	69.37	—0.20	30,617
Dec 96	66.57	65.65	66.17	—0.33	14,182
Feb 97	65.02	64.17	64.65	—0.30	12,752
Apr 97	67.47	66.70	67.15	—0.35	4,321
Jun 97	66.35	65.70	66.10	—0.35	1,589
Est. sales 17,714 Mon's. sales 11,700					
Mon's open int 97,567 up 723					
FEEDER CATTLE (CMER) 50,000 lbs.- cents per lb.					
Aug 96	62.65	61.25	62.25	+0.68	4,310
Sep 96	61.55	60.45	61.50	+0.55	2,893
Oct 96	61.40	60.45	61.35	+0.45	5,783
Nov 96	62.45	61.60	62.30	+0.28	2,756
Jan 97	64.45	63.50	63.95	+0.03	1,187
Mar 97	64.50	63.60	64.00	—0.02	843
Est. sales 4,383 Mon's. sales 4,044					
Mon's open int 20,581 up 32					
HOGS-Live(2/97 Lean) (CMER) 40,000 lbs.- cents per lb.					
Jul 96	60.50	59.80	60.25	—0.10	2,120
Aug 96	58.40	57.62	58.05	—0.27	12,211
Oct 96	54.77	53.95	54.37	—0.30	10,922
Dec 96	56.67	55.55	56.07	—0.68	8,354
Feb 97	78.00	77.40	77.65	—0.42	2,305
Apr 97	76.08	75.50	76.08	—0.25	750
Est. sales 6,985 Mon's. sales 7,430					
Mon's open int 37,729 up 495					
PORK BELLIES (CMER) 40,000 lbs.- cents per lb.					
Jul 96	91.40	91.40	91.40	+2.00	1,242
Aug 96	88.30	88.30	88.30	+2.00	3,465
Feb 97	84.30	82.45	82.97	—0.42	1,507
Mar 97	84.25	82.70	82.55	—0.85	81
May 97			84.37	—0.10	82
Jul 97			84.30		7
Est. sales 1,760 Mon's. sales 1,198					
Mon's open int 6,385 up 110					
Food					
COCOA (NCSE) 10 metric tons- $ per ton					
Jul 96	1333	1291	1284	—49	48
Sep 96	1380	1336	1339	—39	28,448
Dec 96	1412	1375	1377	—37	14,284
Mar 97	1438	1402	1404	—35	15,513
May 97	1428	1416	1417	—37	6,672
Est. sales 19,022 Mon's. sales 3,023					
Mon's open int 79,907 off 149					
COFFEE C (NCSE) 37,500 lbs.- cents per lb.					
Jul 96	117.70	111.00	111.40	—4.05	181
Sep 96	108.10	102.60	102.95	—3.45	16,016
Dec 96	102.60	97.65	98.05	—3.15	6,504
Mar 97	99.50	94.80	94.95	—3.70	2,298
Est. sales 13,699 Mon's. sales 13,592					
Mon's open int 25,757 up 1071					
SUGAR-WORLD 11 (NCSE) 112,000 lbs.- cents per lb.					
Oct 96	11.81	11.64	11.65	—0.20	73,557
Mar 97	11.37	11.24	11.25	—0.13	38,799
May 97	11.03	10.94	10.96	—0.11	16,004
Jul 97	10.78	10.72	10.72	—0.07	11,566
Est. sales 11,549 Mon's. sales 11,927					
Mon's open int 145,898 up 2437					
ORANGE JUICE (NCTN) 15,000 lbs.- cents per lb.					
Jul 96			115.65	+0.95	503
Sep 96	113.35	112.00	113.10	+1.30	12,201
Nov 96	110.50	109.50	110.40	+1.30	3,350
Jan 97	110.30	109.90	110.15	+1.10	3,998
Est. sales N.A. Mon's. sales 1,413					
Mon's open int 20,950 off 251					
Metals					
GOLD (NCMX) 100 troy oz.- dollars per troy oz.					
Jul 96			383.80	—1.40	163
Aug 96	387.00	384.00	384.20	—1.50	78,300
Sep 96			385.60	—1.50	72
Oct 96	389.70	387.10	386.90	—1.60	7,467
Dec 96	392.40	389.10	389.50	—1.60	43,666
Feb 97	394.00	393.40	392.10	—1.60	9,191
Apr 97	396.10	395.20	394.90	—1.60	5,701
Jun 97	398.50	394.80	397.10	—1.60	8,769
Est. sales N.A. Mon's. sales 41,740					
Mon's open int 192,537 off 3209					
HI GRADE COPPER (NCMX) 25,000 lbs.- cents per lb.					
Jul 96	89.00	87.25	88.05	+1.20	3,155
Aug 96	88.90	88.10	88.30	+1.20	2,240
Sep 96	88.75	86.20	87.60	+1.25	19,579
Oct 96	88.90	87.50	87.20	+1.25	1,307
Nov 96			87.00	+1.05	1,086
Dec 96	87.65	85.80	86.85	+1.00	12,116
Jan 97	87.00	87.00	86.85	+1.00	875
Feb 97			86.85	+0.95	732
Mar 97	87.30	86.60	86.85	+0.90	5,331
Est. sales N.A. Mon's. sales 5,227					
Mon's open int 57,449 up 289					
SILVER (NCMX) 5,000 troy oz.- cents per troy oz.					
Jul 96	510.0	486.0	490.3	—22.1	122
Aug 96			491.4	—22.2	2
Sep 96	518.0	493.0	494.3	—22.2	69,151
Dec 96	526.0	500.0	502.3	—22.5	23,384
Jan 97			505.7	—22.5	20
Mar 97	524.5	515.0	510.4	—22.8	6,252
May 97	530.0	530.0	515.4	—23.1	5,414
Jul 97	531.0	525.0	520.5	—23.4	4,103
Est. sales N.A. Mon's. sales 14,142					
Mon's open int 101,972 up 359					
PLATINUM (NMER) 50 troy oz.- dollars per troy oz.					
Jul 96	396.50	394.50	392.20	—5.00	408
Oct 96	402.50	395.80	395.70	—5.00	21,638
Jan 97	403.50	398.00	398.40	—5.00	2,483
Apr 97			401.10	—5.00	2,232
Jul 97			404.10	—5.00	160
Est. sales N.A. Mon's. sales 3,887					
Mon's open int 26,921 up 2525					

LONDON METALS (LME)
Dollars per metric ton

	Close		Previous	
Aluminum (High Grade)				
Spot	1433.00	1434.00	1422.00	1423.00
Forward	1470.00	1471.00	1459.00	1460.00
Copper Cathodes (High Grade)				
Spot	1967.00	1972.00	1902.00	1903.00
Forward	1872.00	1875.00	1851.00	1853.00
Lead				
Spot	754½	755½	762.00	763.00
Forward	767½	768½	773.00	774.00
Nickel				
Spot	7140.00	7150.00	7005.00	7015.00
Forward	7250.00	7260.00	7120.00	7130.00
Tin				
Spot	6195.00	6205.00	6225.00	6235.00
Forward	6250.00	6255.00	6275.00	6280.00
Zinc (Special High Grade)				
Spot	980.00	981.00	988½	989½
Forward	1008.00	1009.00	1016½	1017.00

Contract	High	Low	Close	Chge	Opint
Financial					
US T. BILLS (CMER) $1 million- pts of 100 pct.					
Sep 96	94.83	94.65	94.74	+0.09	7,165
Dec 96	94.66	94.44	94.57	+0.12	1,508
Mar 97	94.45	94.26	94.40	+0.11	168
Est. sales N.A. Mon's. sales 581					
Mon's open int 8,841 off 222					
5 YR. TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct					
Sep 96	105-22	104-255	105-125	+ 125	171,675
Dec 96	105-00	104-23	104-295	+ 125	4,416
Est. sales 67,500 Mon's. sales 71,985					
Mon's open int 176,091 off 852					
10 YR. TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct					
Sep 96	107-05	106-00	106-28	+ 17	285,256
Dec 96	106-15	105-14	106-08	+ 16	14,882
Mar 97	106-02	105-15	105-29	+ 16	299
Est. sales 90,000 Mon's. sales 48,015					
Mon's open int 300,438 up 2529					
US TREASURY BONDS (CBOT) (8 pct-$100,000-pts & 32nds of 100 pct)					
Sep 96	108-26	107-10	108-16	+ 22	431,155
Dec 96	108-05	106-27	107-31	+ 22	18,756
Mar 97			107-18	+ 22	3,066
Jun 97			107-05	+ 22	1,129
Est. sales 385,000 Mon's. sales 196,877					
Mon's open int 454,177 off 9634					
LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct					
Sep 96	106-14	105-26	106-10	— 0-05	133,266
Dec 96	105-15	104-31	105-15	— 0-05	542
Est. sales: 72,733. Prev. sales: 22,955					
Prev. open int.: 133,750 off 3,709					
GERMAN GOVERNMENT BUND (LIFFE) DM250,000 - pts of 100 pct					
Sep 96	96.18	95.52	96.10	+ 0.28	193,796
Dec 96	95.20	94.72	95.19	+ 0.27	4,732
Est. sales: 160,134 Prev. sales: 55,802					
Prev. open int.: 200,528 off 1,156					
10-YEAR FRENCH GOV. BONDS (MATIF) FF500,000 - pts of 100 pct					
Sep 96	122.14	121.60	122.10	+0.20	165,208
Dec 97	120.74	120.30	120.76	+0.22	29,677
Mar 97	120.12	120.10	120.52	+0.22	2,056
Est. volume: 113. Open int.: 196,941 up +2,133.					
ITALIAN GOVERNMENT BOND (LIFFE) ITL 200 million - pts of 100 pct					
Sep 96	115.75	114.63	115.02	— 0.95	42,526
Dec 96	114.80	114.30	114.38	— 0.95	2,111
Est. sales: 100,807. Prev. sales: 48,821					
Prev. open int.: 64,637 off 2,252					
EURODOLLARS (CMER) $1 million-pts of 100 pct.					
Aug 96	94.320	94.210	94.290	+60	15,406
Sep 96	94.270	94.110	94.210	+70	411,868
Oct 96	94.090	93.990	94.070	+60	15,406
Dec 96	94.020	93.790	93.930	+110	440,381
Mar 97	94.000	93.620	93.800	+130	293,293
Jun 97	93.760	93.400	93.610	+130	241,249
Sep 97	93.560	93.280	93.460	+130	200,622
Mar 00	92.870	92.700	92.830	+80	33,163
Est. sales N.A. Mon's. sales 344,081					
Mon's open int 2,527,999 up 15511					
BRITISH POUND (CMER) 62,500 pounds, $ per pound					
Sep 96	1.5654	1.5510	1.5594	+70	58,152
Dec 96	1.5640	1.5580	1.5608	+70	1,093
Mar 97			1.5628	+70	6
Est. sales N.A. Mon's. sales 3,677					
Mon's open int 59,251 up 194					
CANADIAN DOLLAR (CMER) 100,000 dollars, $ per Cdn. dlr					
Sep 96	.7314	.7285	.7311	+4	31,883
Dec 96	.7325	.7303	.7326	+4	4,026
Mar 97	.7332	.7320	.7338	+4	427
Jun 97	.7340	.7325	.7345	+4	678
Est. sales N.A. Mon's. sales 3,035					
Mon's open int 37,124 up 800					
GERMAN MARK (CMER) 125,000 marks, $ per mark					
Sep 96	.6840	.6619	.6776	+153	55,413
Dec 96	.6885	.6670	.6817	+154	2,306
Mar 97			.6862	+156	311
Jun 97	.6875	.6749	.6905	+158	1
Est. sales N.A. Mon's. sales 25,817					
Mon's open int 58,031 up 1762					
JAPANESE YEN (CMER) 12.5 million yen, $ per 100 yen					
Sep 96	.009325	.009143	.009232	+86	80,419
Dec 96	.009420	.009305	.009347	+86	3,775
Mar 97	.009510	.009464	.009461	+86	141
Est. sales N.A. Mon's. sales 12,587					
Mon's open int 84,345 up 78					
SWISS FRANC (CMER) 125,000 francs, $ per franc					
Sep 96	.8351	.8032	.8277	+237	34,192
Dec 96	.8410	.8100	.8339	+239	1,382
Mar 97			.8405	+240	95
Est. sales N.A. Mon's. sales 14,024					
Mon's open int 35,674 off 1064					
3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct					
Sep 96	94.30	94.27	94.30	+ 0.01	86,983
Dec 96	94.21	94.15	94.21	+ 0.02	95,140
Mar 97	93.91	93.84	93.90	+ 0.01	82,138
Jun 97	93.48	93.39	93.46	Unch.	42,637
Sep 97	93.04	92.95	93.01	— 0.01	30,278
Dec 97	92.66	92.60	92.65	— 0.01	24,845
Mar 98	92.40	92.34	92.38	— 0.02	18,177
Jun 98	92.22	92.17	92.21	— 0.02	13,834
Sep 98	92.10	92.05	92.07	— 0.03	8,850
Dec 98	91.99	91.96	91.97	— 0.02	9,217
Mar 99	91.91	91.85	91.88	— 0.03	3,027
Jun 99	91.81	91.75	91.77	— 0.03	1,356
Est. sales: 62,222. Prev. sales: 26,074					
Prev. open int.: 396,422 up 1,492					
3-MONTH EUROMARK (LIFFE) DM1 million - pts of 100 pct					
Sep 96	96.67	96.57	96.67	+ 0.08	192,136
Dec 96	96.55	96.39	96.53	+ 0.10	220,805
Mar 97	96.25	96.09	96.24	+ 0.11	187,691
Jun 97	95.89	95.72	95.88	+ 0.11	111,803
Sep 97	95.51	95.34	95.51	+ 0.13	89,320
Dec 97	95.16	94.99	95.16	+ 0.13	69,003
Mar 98	94.85	94.69	94.85	+ 0.12	39,897
Jun 98	94.51	94.40	94.54	+ 0.12	30,258
Sep 98	94.22	94.13	94.26	+ 0.10	20,219
Dec 98	93.99	93.90	94.01	+ 0.09	20,434
Mar 99	93.76	93.69	93.80	+ 0.09	17,573
Jun 99	93.56	93.53	93.60	+ 0.09	6,598
Est. sales: 16,211. Prev. sales: 5,190					
Prev. open int.: 71,595 up 72					
3-MONTH PIBOR (MATIF) FF5 million - pts of 100 pct					
Sep 96	96.03	95.93	96.02	+0.02	72,286
Dec 96	95.86	95.73	95.85	+0.03	45,980
Mar 97	95.63	95.51	95.62	+0.04	28,262
Jun 97	95.36	95.28	95.36	+0.02	16,291
Sep 97	95.12	95.06	95.12	+0.02	12,931
Dec 97	94.88	94.87	94.88	+0.04	8,554
Mar 98	94.68	94.60	94.67	+0.05	8,632
Jun 98	94.43	94.34	94.43	+0.05	5,950
Sep 98	94.21	94.13	94.20	+0.05	3,870
Dec 98	93.97	93.97	93.97	+0.04	4,128
Mar 99	N.T.	N.T.	93.72	+0.00	7,749
Jun 99	N.T.	N.T.	93.53	+0.02	1,744
Est. volume: 67,985. Open int.: 216,377 up 580.					
3-MONTH EUROLIRA (LIFFE) ITL 1 million - pts of 100 pct					
Sep 96	91.57	91.42	91.54	+ 0.01	57,902
Dec 96	91.99	91.84	91.95	— 0.03	35,718
Mar 97	92.14	92.00	92.12	— 0.04	22,075
Jun 97	92.14	92.09	92.11	— 0.07	12,334
Sep 97	92.06	91.95	92.01	— 0.10	6,636
Dec 97	91.95	91.83	91.88	— 0.13	3,203
Est. sales: 55,076. Prev. sales: 30,290					
Prev. open int.: 137,868 off 342					
Industrials					
COTTON 2 (NCTN) 50,000 lbs.- cents per lb.					
Oct 96	72.85	71.80	72.80	+0.90	7,893
Dec 96	73.70	72.80	73.65	+0.38	34,173
Mar 97	75.00	74.25	75.00	+0.40	7,462
May 97	75.60	74.70	75.60	+0.25	5,740
Jul 97	76.15	75.65	76.15	+0.30	3,950
Oct 97	75.90	75.90	76.23	—0.22	924
Est. sales N.A. Mon's. sales 4,207					
Mon's open int 63,347 off 117					
HEATING OIL (NMER) 42,000 gal- cents per gal					
Aug 96	58.05	56.75	57.15	—0.57	31,747
Sep 96	58.20	57.10	57.40	—0.49	18,629
Oct 96	58.40	57.40	57.70	—0.49	7,473
Nov 96	58.70	57.90	58.20	—0.29	9,892
Dec 96	58.90	58.10	58.20	—0.09	20,889
Jan 97	58.85	58.20	58.35	—0.39	9,029
Feb 97	57.85	57.34	57.50	—0.39	4,068
Mar 97	55.80	55.25	55.45	—0.59	2,336
Apr 97	53.80	53.00	53.35	—0.59	1,590
May 97	51.95	51.75	51.84	—0.45	1,325
Est. sales N.A. Mon's. sales 24,693					
Mon's open int 111,358 up 3801					
LIGHT SWEET CRUDE (NMER) 1,000 bbl.- dollars per bbl.					
Aug 96	22.55	22.06	22.38	—0.10	68,562
Sep 96	21.85	21.42	21.66	—0.05	63,078
Oct 96	21.14	20.75	20.97	—0.09	39,802
Nov 96	20.52	20.26	20.42	—0.11	27,491
Dec 96	20.09	19.88	20.01	—0.12	32,180
Jan 97	19.77	19.58	19.78	—0.13	24,471
Feb 97	19.46	19.37	19.46	—0.13	19,483
Mar 97	19.22	19.15	19.25	—0.13	12,355
Apr 97	19.00	18.95	19.06	—0.13	8,117
May 97	18.87	18.80	18.89	—0.13	6,021
Jun 97	18.75	18.58	18.73	—0.14	28,427
Jul 97	18.60	18.48	18.61	—0.14	7,529
Aug 97	18.49	18.37	18.50	—0.14	3,019
Est. sales N.A. Mon's. sales 111,422					
Mon's open int 390,478 up 6554					
NATURAL GAS (NMER) 10,000 mm btu's, $ per mm btu					
Aug 96	2.780	2.745	2.752	—13	30,850
Sep 96	2.780	2.740	2.741	—33	27,444
Oct 96	2.705	2.675	2.675	—25	21,064
Nov 96	2.680	2.650	2.650	—32	12,899
Dec 96	2.700	2.665	2.670	—30	15,616
Jan 97	2.700	2.665	2.665	—32	12,328
Feb 97	2.525	2.490	2.490	—34	7,310
Mar 97	2.330	2.315	2.320	—30	4,978
Apr 97	2.205	2.195	2.200	—4	2,891
May 97	2.120	2.110	2.115	—3	2,801
Jun 97	2.117	2.095	2.180		2,738
Est. sales N.A. Mon's. sales 19,836					
Mon's open int 160,504 off 869					
UNLEADED GASOLINE (NMER) 42,000 gal- cents per gal					
Aug 96	65.60	64.40	65.13	—0.43	25,724
Sep 96	63.90	62.90	63.39	—0.44	19,997
Oct 96	60.80	60.30	60.44	—0.29	5,972
Nov 96	58.60	58.15	58.39	—0.09	2,171
Dec 96	57.15	56.80	57.15	+0.07	1,695
Jan 97	56.60	55.80	56.55	+0.17	1,167
Est. sales N.A. Mon's. sales 23,639					
Mon's open int 57,656 up 1923					
GASOIL (IPE) U.S. dollars per metric ton - lots of 100 tons					
Aug 96	180.25	178.00	179.25	+ 2.75	22,761
Sep 96	177.50	175.75	176.75	+ 2.50	9,125
Oct 96	176.00	174.50	175.75	+ 2.75	4,289
Nov 96	175.25	173.75	175.00	+ 2.50	1,991
Dec 96	174.75	173.25	174.50	+ 2.75	9,248
Jan 97	173.00	172.00	173.00	+ 2.75	2,325
Feb 97	169.75	169.75	169.75	+ 2.50	585
Mar 97	166.75	166.50	166.75	+ 2.50	1,645
Apr 97	163.50	163.50	163.50	+ 2.25	1,600
May 97	N.T.	N.T.	160.50	+ 1.75	134
Jun 97	158.75	158.75	158.00	+ 1.25	1,962
July 97	N.T.	N.T.	156.00	— 0.25	Unch.
Est. sales:12,081. Open int.:55,715 off 1,741					
BRENT OIL (IPE) U.S. dollars per barrel - lots of 1,000 barrels					
Aug 96	20.55	20.30	20.46	+ 0.01	13,147
Sep 96	20.16	19.78	20.03	+ 0.03	76,369
Oct 96	19.62	19.30	19.44	— 0.07	25,434
Nov 96	19.17	18.94	19.02	— 0.09	8,520
Dec 96	18.82	18.56	18.66	— 0.09	14,976
Jan 97	18.50	18.34	18.35	— 0.09	12,063
Feb 97	18.25	18.04	18.09	— 0.10	4,929
Mar 97	18.00	17.85	17.87	— 0.11	4,219
Apr 97	17.66	17.66	17.68	— 0.11	3,341
May 97	N.T.	N.T.	17.51	— 0.11	1,441
Est. sales: 45,259. Open int.: 167,991 off 6,688					
Stock Indexes					
S&P COMP. INDEX (CMER) 500 x index					
Sep 96	636.40	618.25	633.75	+3.50	179,188
Dec 96	642.00	616.85	640.80	+3.95	7,754
Mar 97	647.80	622.55	645.00	+2.45	1,336
Jun 97	654.00	629.05	652.00	+2.95	11
Est. sales N.A. Mon's. sales 87,898					
Mon's open int 188,289 up 2309					
FTSE 100 (LIFFE) £25 per index point					
Sep 96	3652.0	3643.0	3631.0	— 61.0	59,654
Dec 96	3652.0	3652.0	3651.0	— 61.5	1,746
Mar 97	N.T	N.T	3662.5	— 61.5	108
Est. sales: 26,297. Prev. sales: 9,989					
Prev. open int.: 61,500 up 223					
CAC 40 (MATIF) FF200 per index point					
Jul 96	2012.0	1980.0	1988.0	— 44.00	31,080
Aug 96	2008.5	1990.0	1993.5	— 44.50	4,698
Sep 96	2022.0	1196.0	2000.5	— 44.50	20,380
Dec 96	2035.0	2030.0	2020.0	— 44.50	4,341
Mar 97	N.T.	N.T.	2041.0	— 45.50	4,648
Sep 97	N.T.	N.T.	2030.0	— 44.00	4,710
Mar 98	N.T.	N.T.	2081.0	— 44.00	2,070
Est. volume: 37,558. Open int.: 71,927 up 1,018.					

Commodity Indexes

	Close	Previous
Moody's	1,528.90	1,527.20
Reuters	1,985.70	1,982.30
D.J. Futures	143.33	144.72
CRB	247.91	250.83

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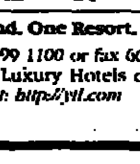

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U. S. STOCK MARKET DIARY

Indexes

Dow Jones

	Open	High	Low	Last	Chg.
Indus	5369.37	5401.47	5182.31	5358.76	+9.25
Trans	2012.82	2015.95	1922.92	1988.71	—33.82
Util	213.34	215.83	210.94	212.93	—2.07
Comp	1742.01	1746.81	1680.31	1730.38	—8.46

Standard & Poors

	High	Low	Close	Chg.
Industrials	748.11	716.25	743.71	—1.94
Transp.	482.27	460.12	475.69	—6.35
Utilities	193.55	188.10	191.50	—2.01
Finance	64.09	61.63	63.78	+0.23
SP 500	631.99	605.88	628.37	—1.43
SP 100	610.91	582.85	605.70	—0.37

NYSE

	High	Low	Last	Chg.
Composite	339.24	326.55	336.79	—1.88
Industrials	429.46	412.03	425.79	—3.14
Transp.	318.31	296.44	305.80	—4.50
Utility	245.68	238.47	244.73	—0.44
Finance	283.31	273.74	281.32	+0.88

Nasdaq

	High	Low	Last	Chg.
Composite	1065.26	1010.24	1051.59	—8.40
Industrials	984.49	933.58	966.85	—15.92
Banks	1043.08	1036.23	1038.77	—5.83
Insurance	1216.87	1195.52	1207.32	—3.60
Finance	1260.31	1243.22	1250.92	—10.76
Transp.	828.88	809.50	819.25	—14.44

AMEX

	High	Low	Last	Chg.
	533.43	518.98	525.60	—7.83

Dow Jones Bond

	Close	Chg.
20 Bonds	101.02	+0.03
10 Utilities	97.51	+0.05
10 Industrials	104.53	Unch.

Most Actives

NYSE

	Vol.	High	Low	Last	Chg.
OfficDpt	144903	17	12⅝	14¼	—4¼
HewlPk s	95411	41⅞	37⅛	41	+2⅛
MicrnT	78489	19⅞	17⅛	19¼	+¼
LSI Log	66898	20	18⅛	19	—⅞
Motorola	65594	54⅝	50⅝	52	—1⅜
TelMex	64529	30⅞	27⅞	30⅞	+⅜
CocaCl s	62098	46⅞	42⅛	46	+⅞
TelBrasil n	62678	79⅞	71⅞	76¾	—1⅛
IBM	61541	95¼	89¼	95⅛	+2⅞
Texinst	58184	45⅛	40	44⅝	+2⅛
Merck	54723	62⅛	58¼	61⅞	—1⅛
AT&T	54846	57	54⅝	55⅞	—1⅛
PepsiCo s	53983	32	30⅛	31⅜	—⅝
FordM	50166	31¼	29⅝	30⅞	—⅜
Kmart	49574	10⅛	9⅞	10⅛	—⅛

Nasdaq

	Vol.	High	Low	Last	Chg.
Intel	200330	70¼	64⅛	68½	—¼
Cisco s	172824	52¼	46¼	50⅞	—1⅛
Iomega s	170147	24⅞	19⅞	22⅜	+⅜
Oracle s	101523	36⅞	33⅛	35⅝	—⅛
SunMic s	93512	49⅛	44	47⅝	—1⅛
Microsft	92034	113⅛	107⅛	112⅜	+1⅛
Ascend s	89251	52⅛	48⅛	45⅞	—⅞
AmerOn s	69973	34⅞	27⅛	31⅛	—3⅜
WorldCm s	65349	24⅛	21⅞	23⅛	+1
CascCm s	63537	62⅞	52⅛	57⅛	—3⅝
TelCmA s	61574	14⅜	13⅛	14⅛	—1/16
USHlthC	59600	51⅛	50	50⅜	+⅜
3Com s	58811	39⅛	36⅛	37⅞	—⅛
US Robt s	58393	67	58⅛	64	+1⅛
EricTel	57455	19½	18⅛	18⅞	—⅛

AMEX

	Vol.	High	Low	Last	Chg.
XCL Ltd	47699	¼	3/16	¼	—1/16
SPDR	40965	63⅛	60⅞	62 25/32	+1⅛
ViacB	33251	33	29⅜	32	—⅛
Ampex n	16259	6 9/16	5⅝	6⅝	+1⅛
TWA n	11359	12½	9 15/16	11⅛	—⅜
Hearx n	10728	5 5/16	3⅞	4	—1/16
IvaxCp	9160	14⅜	13	13½	—⅝
EchoBay	8845	10⅝	9⅝	9⅝	—⅜
TopSrce	8629	5 1/16	4	4⅝	—1 1/16
Viacom	7396	32⅜	29⅝	31⅛	—⅛

Trading Activity

NYSE

	Close	Prev.
Advanced	699	440
Declined	1874	2149
Unchanged	625	587
Total issues	3198	3176
New Highs	13	29
New Lows	255	142

Nasdaq

	Close	Prev.
Advanced	1254	873
Declined	2830	3224
Unchanged	1502	1490
Total issues	5586	5587
New Highs	21	36
New Lows	593	371

AMEX

	Close	Prev.
Advanced	144	122
Declined	463	492
Unchanged	176	157
Total issues	783	771
New Highs	4	4
New Lows	56	41

Market Sales

	Today Close	Prev. cons.
NYSE	680.33	501.88
Amex	41.20	29.83
Nasdaq	833.62	587.01

In millions.

Dividends

Company	Per	Amt	Rec	Pay
IRREGULAR				
AJL Peps Tr	—	.36	8-1	8-15
Banc BilbaoViz	—	.1925	7-30	8-12
HospBality Props	—	.58	7-22	8-22
STOCK SPLIT				
Comwest GlblCommun 3 for 1 split.				
Life Techs 3 for 2 split.				
Werner Enterprises 3 for 2 split.				
INCREASED				
Honeywell Inc	Q	.27	8-30	9-16
St Paul Bncp	Q	.12	7-31	8-15
INITIAL				
Bush Indus n	—	.035	8-9	8-23
Cape Cod BkTr n	—	.18	7-25	7-31
Life Techs n	—	.04	9-20	10-18
REGULAR				
Buckeye Ptnrs	Q	.75	8-6	8-30
Cigna HI IncoShrs	M	.0675	7-26	8-9
Center Bks Inc	Q	.06	7-30	8-18
Citicorp	Q	.45	7-31	8-19
Coca Cola Enterpr	Q	.025	9-20	10-1
Dauphin Deposit	Q	.385	9-20	10-11
FSF Financial	Q	.125	7-31	8-15
Fedl Natl Mtg	Q	.19	7-31	8-25
Fst Charter Cp	Q	.15	9-20	10-15
Glbl HI IncoDlr	M	.106	7-25	7-31
Hibernia Corp	Q	.07	7-26	8-20
HI Yld Plus	M	.07	7-31	8-16
Horace Mann	Q	.11	8-30	9-16
ITT Indus	Q	.15	8-9	10-1
Interstate Johnson	Q	.03	8-2	8-22
Liberty Trm 1999	M	.035	7-24	8-1
Loews Corp	Q	.25	8-2	9-2
Mellon Bank	Q	.60	7-31	8-16
Mid Amer Bncp	Q	.17	8-23	9-6
NationsBank	Q	.58	9-9	9-27
North Bcshrs	Q	.10	8-1	8-15
Northern Trust	Q	.21	9-10	10-1
Ohio Edison	Q	.375	9-9	9-30
Penn Virginia	Q	.45	8-27	9-17
Strat Glbl Inco	M	.095	7-25	7-31
VF Corp	Q	.36	9-9	9-19
Village Bncp	Q	.17	7-25	8-2

a-annual; b-approximate amount per share/ADR; g-payable in Canadian funds; m-monthly; q-quarterly; s-semi-annual

Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.
a - dividend also extra (s). b - annual rate of dividend plus stock dividend. c - liquidating dividend. cld - called. d - new yearly low. e - dividend declared or paid in preceding 12 months. g - dividend in Canadian funds, subject to 15% non-residence tax. i - dividend declared after split-up or stock dividend. j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k - dividend declared or paid this year, an accumulative issue with dividends in arrears. n - new issue in the past 52 weeks. The high-low range begins with the start of trading. nd - next day delivery. P/E - price-earnings ratio. r - dividend declared or paid in preceding 12 months, plus stock dividend. s - stock split. Dividend begins with date of split. sls - sales. t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u - new yearly high. v - trading halted. vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd - when distributed. wi - when issued/ ww - with warrants. x - ex-dividend or ex-rights. xdis - ex-distribution. xw - without warrants. y- ex-dividend and sales in full. yld - yield. z - sales in full.

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هكذا من الأصل

U.K. Lifts Ban on Ferry Pacts

Compiled by Our Staff From Dispatches

LONDON — The government said Tuesday it would lift restrictions that prevent cross-Channel ferry companies from forming alliances with rivals, potentially allowing the two biggest operators to join forces against the two-year-old Channel Tunnel.

The decision is widely seen as clearing the way for P&O European Ferries, a unit of Peninsular & Oriental Steam Navigation Co., to form an alliance with Stena Line AB's Stena Line Ltd. Both companies have expressed an interest in forming an alliance.

"We have always said that, even with the strong market growth we are seeing, there is too much capacity and rationalization is essential," P&O Chairman Lord Sterling said. "We can now get ahead with looking at how best to achieve this."

A spokesman for Stena Line said the Swedish company would "definitely" agree to discussions with P&O if approached.

P&O in May requested that the government lift the restrictions as a way of responding to competition from the Channel Tunnel, which was built by the British-French concern Eurotunnel and opened to freight and passenger services in 1994.

One ban, imposed in 1979, prevents cross-Channel ferry operators from discussing fares and pooling services. The other, imposed in 1982, prevents P&O from linking with Stena Line in a way that would result in operations "ceasing to be distinct."

Ian Lang, president of the Board of Trade, said in announcing the decision that conditions had "changed sufficiently" in the cross-Channel market for ferry services and that the restrictions were "no longer appropriate."

He said the decision overruled the recommendation of the Office of Fair Trading, which had wanted only the 1979 ban removed.

Mr. Lang also said any agreement between P&O and Stena Line would have to be evaluated for its effect on competition. P&O has 30 percent of the market for cross-Channel services, Stena has 20 percent, and the Channel Tunnel, operated by the British-French company Eurotunnel, has 40 percent. Hoverspeed Ltd., a third ferry company, has the remaining 10 percent.

Analysts saw P&O's request as a sign that it wants to pool services with Stena Line, a move that would produce savings for both companies without triggering the antitrust concerns an outright merger would raise.

P&O shares, after slipping before the decision was announced, finished Tuesday in London at 500 pence ($7.76), up 11 pence.

(Bloomberg, AFX)

Schering Buys Contraceptive Firm

Bloomberg Business News

BERLIN — Schering AG said it bought the contraceptive maker Leiras from Huhtamaki Oy of Finland for 466 million DM ($310 million) to broaden its birth-control business beyond its core oral contraceptives.

The German drugmaker said it expected Leiras's fertility control and hormone therapy products to outperform the overall pharmaceutical market.

"Contraception itself isn't necessarily a high-growth market, that's why Schering is building up the hormonal side of the business," said Christiane Dienhart, a pharmaceutical industry analyst at Bayerische Vereinsbank in Munich.

The purchase strengthens Schering's leadership of the market for contraceptive and hormone products for a "relatively cheap price," she said.

For Huhtamaki, a Finnish consumer-products maker, the sale will bring extraordinary income of 1 billion markka ($218 million) in 1996, the company said. Huhtamaki said in February that it would sell Leiras because it was too small to survive on its own without a larger drug company.

With the acquisition of Leiras and the purchase in May of 74.9 percent of Gehe AG's hormone products unit Jenapharm, Schering has "especially strengthened" its position in the market for hormone products, a spokeswoman, Christiane Schulz, said.

The two companies have collaborated since 1954. Schering is Leiras' main supplier of hormones and has marketed its intrauterine devices worldwide for 20 years.

The sale excludes Leiras' ophthalmologic division, which accounts for about 15 percent of sales, Huhtamaki said. Schering will rent Lerias's factories from Huhtamaki.

Israeli Stocks Slide Despite Bank Plans

Compiled by Our Staff From Dispatches

TEL AVIV — Israeli shares took a plunge on Tuesday, confirming the predictions of traders and executives that the announcement of planned Bank of Israel intervention to support government bond prices would fail to bolster confidence in the markets.

The benchmark Mishtanim index of 100 leading shares closed down 3.65 percent, at 150.05 points, bring the market's overall fall to more than 20 percent in the seven weeks since the election of Prime Minister Benjamin Netanyahu's conservative coalition government.

The Treasury had said early in the day that the Bank of Israel would buy the bonds when necessary to stabilize the bond market and indirectly calm the stock market.

That decision, along with one to study market reforms, was made after an all-night meeting between Mr. Netanyahu, Bank of Israel Governor Jacob Frenkel and Finance Minister Dan Meridor.

The meeting was prompted by the stock market's losses and by new figures showing inflation at 7 percent for the first half of the year and unemployment on the rise. Half a million workers planned a general strike Wednesday as a warning to the government against further austerity measures.

"We can't go on like this," Mr. Netanyahu reportedly told Mr. Meridor before the meeting. "A market shakedown is precisely the thing we cannot afford right now."

Benjamin Gaon, chairman of Koor Industries Ltd., Israel's largest company, said Tuesday that the government measures were insufficient. "For the last three years we signaled to the world that there is a certainty to Israel's economy," he said. Now, however, there is "a certain cloud of uncertainty. This is the enemy of any economic move."

Treasury officials said the measures were meant to stop the general panic in the capital markets, including a wave of redemptions in retirement-investment funds, and indirectly restore investor confidence in stocks.

The redemptions in provident funds, which are long-term savings plans for workers, had caused a decline in prices for bonds and stocks. Provident funds are major investors in the stock market.

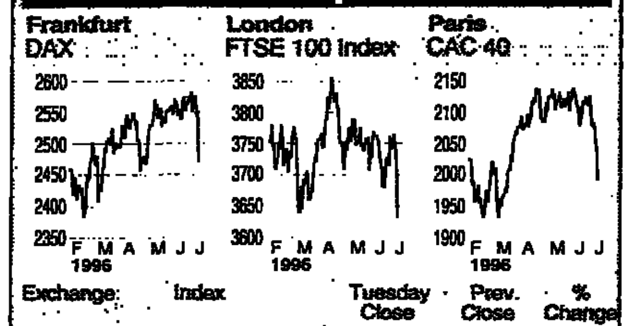
In the long run, "the fact that the Bank of Israel will buy bonds to support their prices won't affect" the stock market, said Dan Scharia of Capital Investments. "What we need is a cut in interest rates."

Last month, the central bank raised its key lending rate by 1.5 percentage points, to an annual 17 percent rate . At that level, there is more incentive to invest in savings plans than in stocks, analysts said.

"There is no clear-cut solution," said Jonathan Katz of Capital Holdings. "People are calling for lower interest rates, but because of the adamant position of the central bank governor on inflation I don't see this happening soon."

(Reuters, AP, AFP)

Investor's Europe



Exchange	Index	Tuesday Close	Prev. Close	% Change
Amsterdam	EOE	528.27	539.24	-2.03
Brussels	Stock Exchange	9,182.83	9,322.06	-1.49
Frankfurt	DAX	2,469.79	2,550.53	-3.17
Copenhagen	Stock Market	407.19	413.13	-1.44
Helsinki	HEX General	1,978.18	2,012.80	-1.72
Oslo	OBX	450.01	459.20	-2.00
London	FTSE 100	3,632.30	3,698.30	-1.77
Madrid	Stock Exchange	352.69	358.29	-1.56
Milan	MIBTEL	9,711.00	9,925.00	-2.16
Paris	CAC 40	1,989.51	2,029.51	-1.97
Stockholm	SX 16	1,956.03	1,996.73	-2.04
Vienna	ATX	1,048.68	1,049.89	-0.12
Zurich	SPI	2,359.27	2,408.97	-2.06

Source: Telekurs International Herald Tribune

Very briefly:

- **Deutsche Börse AG,** the holding company for Germany's stock exchanges, confirmed that **Deutsche Telekom AG** and **Munich Re** would be added to the DAX 30 index. Munich Re, a reinsurance company, will replace the tire maker **Continental AG** on Sept. 23, while Telekom will replace **Metallgesellschaft AG** when it begins trading Nov. 18.
- **The European Commission** said it expected to clear a final package of state aid worth 5 billion French francs ($969 million) for Air France as part of a 20 billion-franc capital increase. Rival airlines wanted the commission to block the final payment amid complaints that Air France used subsidies to cut fares on European routes.
- **ING Barings** said it settled its lawsuit against **Deutsche Morgan Grenfell** for hiring about 70 of ING Barings's emerging-markets staff last month. The settlement prevents any of former ING emerging-markets staff from approaching any ING Barings clients for business until Sept. 3.
- **Royal Ahold NV,** the Dutch retailer, set a price of 85 guilders ($49.82) for the 36 million shares it is selling to finance the buyout of **Stop & Shop Cos.** of the United States. Ahold will raise 3.06 billion guilders to pay for the $1.80 billion purchase of New England's largest supermarket chain.
- **Merck KGaA** of Germany is to pay $50 million to form an alliance with **SmithKline Beecham PLC** of Britain and **Human Genome Sciences Inc.** of the United States to explore genetics. The agreement will enable the German drug company to do research using genetic technology developed by SmithKline and HGS, Merck said.
- **Auchan,** the French retailer, agreed to buy **Pao de Açucar,** the third-largest retailer in Portugal, from **Entreposto.**
- **Georg Fischer AG,**a Swiss car-parts and tool maker, is to buy a majority stake in **Agie Holding AG** valued at about 100 million Swiss francs ($79.6 million), making it the world's No. 1 producer of electric-discharge machines.
- **Volkswagen AG** said its unit car sales in the Asia-Pacific region rose 28 percent in the first half of 1996, to 163,070.

AFP, Bloomberg, Reuters

Nestlé Predicts Strong Profit as Sales Grow 6% in Half

Bloomberg Business News

VEVEY, Switzerland — Nestlé SA said Tuesday first-half sales rose 6 percent as growth accelerated and the Swiss franc fell, and it predicted that full-year earnings would surpass last year's profit.

Sales rose to 28.4 billion Swiss francs ($22.62 billion) from 26.9 billion francs a year earlier.

Nestlé repeated its forecast that full-year earnings would be above 2.92 billion francs posted last year and forecast sales of about 60 billion francs, provided the franc does not rise.

Last year, the Swiss franc's rise against major currencies, including the dollar, along with rising green coffee prices, hurt Nestlé's profit.

Nestlé, whose products include Stouffer's frozen foods, Nescafé instant coffee, Perrier mineral water and Alpo Pet Foods, is to report its first-half earnings in September. In 1995, first-half net profit fell 12 percent, to 1.12 billion francs.

Nestlé generates 98 percent of its sales abroad, with more than half in dollars or dollar-related currencies.

When the franc weakens, Swiss companies get more francs for their overseas revenue. The franc has fallen 7.2 percent against the dollar this year, paring its 13 percent gain from last year.

But analysts said first-half volume growth, down from 5 percent in the first quarter, was disappointing.

"We don't actually see the tremendous volume growth some people may have anticipated after the first quarter," said James Amoroso, who tracks Nestlé at Crédit Suisse. "Some of the euphoria may therefore fizzle out."

Nestlé shares declined 36 francs, to 1,430 francs, in a falling Swiss market.

But the company's stock has risen about 15 percent this year amid expectations of rising earnings as sales grow, coffee prices fall, cost cuts take hold and the Swiss franc weakens.

Nestlé's chairman, Helmut Maucher, has repeatedly said he expects higher net profit this year. Most recently, on Monday, Mr. Maucher forecast a "very good" earnings year.

"Provided that foreign currencies do not exert too strong a negative influence on sales, the group expects to close the year with consolidated sales in excess of 60 billion francs," Nestlé said. Net profit "should also show good growth."

Still, some analysts were not impressed, saying Nestle's forecasts were not specific enough and kept investors guessing.

"The sales figures are fine, but if the dollar is falling further, people could reassess their views about Nestlé," said German Huesler, a fund manager at Union Bank of Switzerland.

WORLD STOCK MARKETS

Tuesday, July 16
Prices in local currencies.
Telekurs

Amsterdam
EOE index: 528.27
Previous: 539.24

	High	Low	Close	Prev.
ABN-AMRO	83.50	81.10	82.90	84
Aegon	77.90	75.20	77.50	79.10
Ahold	85.20	85	85	88.70
Akzo Nobel	189	182	185.40	191.50
Bols Wess cva	27.10	26.20	26.80	27.50
CSM cva	78	73	80	81.30
Dordtsche Pet	273	268.10	269	277.90
DSM	155.40	149.40	153.30	155.90
Elsevier	25.50	24.50	25.20	25.80
Fortis Amev	47.30	44.70	47	47.40
G-Broc cva	53.80	51.30	53	53.50
Hagemeyer	125	119.20	124.50	124.30
Heineken	367.30	360.20	363.50	372.30
Hoogovens	59.10	56.30	58.50	58.80
Hunt Douglas	106	102	105	108.50
ING Group	47.60	45.20	47.50	47.30
KLM	53.90	51	51.70	54.70
KNP BT	39.50	37.50	38.40	39.60
KPN	60.90	59.20	60.20	61.50
Nedlloyd Gp	36.90	34	35.70	37.30
Nutricia	174	167.50	170.90	177
Oce Grinten	160.80	156	160	161.80
Pakhoed	43	41.50	42.50	43.60
Philips Elec	51	48.30	50.30	50.80
Polygram	90	86	89.40	91.30
Randstad Hdg	124.50	118.60	120	127
Robeco	122.30	121	122.30	124.50
Rodamco	46.80	45.90	46.20	46.50
Rolinco	131.20	130	130	133.90
Rorento	97.20	96.90	97.10	97.20
Royal Dutch	259.30	253	254.30	262.80
Stork	47.20	45.50	46.70	47.20
Unilever cva	239.10	235	236.10	242.60
VNU	25.80	24.40	25.50	26.20
Wolters Kl cva	188.50	181.50	186.60	190.60

Bangkok
SET index: 1181.85
Previous: 1187.94

	High	Low	Close	Prev.
Adv Info Svc	370	364	366	368
Bangkok Bk F	338	330	336	338
Krung Thai Bk	115	112	113	114
PTT Explor	340	330	340	340
Siam Cement F	1090	1054	1072	1102
Telecomasia	50.50	49.50	49.75	50
Thai Airways	52.50	47.25	47.25	52.50
Thai Farm Bk F	280	274	274	282
Thai Telegh	46.75	44.75	45.75	47.50
Utd Comm	327	320	322	322

Bombay
Monday, July 15
Sensitive index: 3712.37
Previous: 3651.56

	High	Low	Close	Prev.
Assoc Cement	2335	2260	2328	2296.50
Grasim Ind	526	524	525.50	529
Hindalco Ind	1177.75	1167.25	1175	1177
Indust Lever	866	852	865	860.25
Indian Hotels	815	800.25	810	818.75
ITC	315.50	309.50	314.50	314.50
Larsen Toubro	273.50	267.50	272.50	270.25
Reliance Ind	198	165.50	196.25	170.50
Tata Eng Loco	534	525	532.25	533.50
Tata Iron St	231.25	218.75	229	221.50

Brussels
Stock Exchange index: 9182.83
Previous: 9322.06

	High	Low	Close	Prev.
Arbed	3400	3360	3385	3410
Barco Ind	4940	4865	4900	5040
BBL	5700	5640	5700	5780
Bekaert	23250	22700	23100	23525
CBR	2365	2325	2330	2360
CMB	2410	2370	2410	2425
Cockerill	133	128	130	135
Colruyt	10350	10100	10325	10475
Delhaize Lion	1580	1530	1575	1590
Electrabel	6790	6700	6790	6780
Electrafina	2700	2680	2700	2730
Fortis AG	4010	3930	3995	4065
GIB	1318	1300	1306	1330
GBL	3760	3680	3760	3800
Gen Banque	10575	10425	10475	10650
Glaverbel	3260	3195	3200	3265
Kredietbank	9550	9390	9480	9630
Mosane	2300	2280	2280	2300
Petrofina	9370	9240	9340	9460
Powerfin	4295	4250	4270	4305
Recticel	302	292	292	308
Royale Belge	5580	5460	5580	5680
Soc Gen Belg	2295	2255	2275	2325
Solvay	18250	17975	18100	18525
Tessenderlo	10400	10300	10375	10675
Tractebel	12625	12450	12550	12750
UCB	56000	54600	55300	57000
Union Miniere	2235	2185	2210	2270

Copenhagen
Stock index: 407.19
Previous: 413.13

	High	Low	Close	Prev.
Carlsberg B	339	331.60	336	342
Danisco	304	300	302	307.40
Den Danske Bk	390	385	389	393.59
D/S Svendborg A	195000	195000	195000	194000
D/S 1912 A	139530	139000	139227	134000
East Asiatic Co	122	116	120	122
FLS Ind B	645	620	635	650
ISS Intl Svc B	136	130.85	136	135
Novo Nordisk B	849.85	829	831	843
Radiometer B	375	365	375	376
Sophus Ber B	785	768	772	790
Tele Danmark B	283	278	[illegible]	263
Unidanmark A	264	259	253	269.25

Frankfurt
DAX: 2469.79
Previous: 2550.53

	High	Low	Close	Prev.
AMB	995	970	970	995
AEG	152	152	157	157
Allianz Hdg	2579	2547	2550	2627
Altana	1082	1065	1070	1110
Asko Deutsche	1142	1130	1130	1160
Badenwerk	560	559	560	560
BASF	42.15	40.80	41	42.50
Bayer Hypo Bk	40.23	40.02	40.20	41.39
Bay.Vereinsbank	47.90	47.35	47.45	48.87
Bayer	51.58	50.10	50.45	53.27
Berliner Kraft	422	418	422	430
BHF Bank	39.80	38.70	39.10	40.70
BMW	846	842	843.50	855
CKAG Colonia	1108	1100	1105	1130
Commerzbank	324	322	323	329.28
Daimler Benz	79.30	78.40	78.45	80.05
Degussa	501.50	494	498	506.50
Deutsche Bank	72.33	71.85	72.10	74.29
Dresdner Bank	38.20	38.07	38.15	39.45
Heidelbg Zmt	1028	1015	1015	1029
Henkel	61.40	60.15	61.30	62.60
Hochtief	662	655	656	672
Hoechst	50.90	49.65	49.85	52.15
Holzmann Ph.	396	383	383	398
Karstadt	554	544	544	559.50
Kaufhof Hdg	566	561	561	579
Linde	931	921	923	942.50
Lufthansa ord	212.50	210	210	216.50
MAN	375.50	371.20	373	384
Mannesmann	540	535.50	536	548
Muench Rueck	3295	3250	3257	3305
Preussag	366.80	364	365.10	369.90
PWA	193	190	192	196
RWE	55	54.20	54.20	55.85
SAP pfd	211.50	204	205.50	220
Schering	101.20	100.40	101	103.40
Schmalb Lab	265	261	263	273
Siemens	79.40	78.75	78.75	80.45
Suedzucker	750	748	746	750
Thyssen	274	271.80	272.20	277
Veba	76.85	75.90	75.90	78.10
VEW	440	420	428	465
Viag	580	576.50	577.40	587.50
Volkswagen	535.50	530.50	531	547
Wella	820	792	792	835

Helsinki
HEX General index: 1978.18
Previous: 2012.80

	High	Low	Close	Prev.
Cultor I	220	205	220	234
Enso R	37	36.30	36.40	37.40
Huhtamaki IF	160	157	157	155
Kesko	70	69.20	69.50	70.10
Kone BF	500	490	490	500
Merita A	9.75	9.50	9.53	9.73
Metra BF	221	220	221	223
Metso-Serla B	32.50	31.90	32	32.70
Nokia Prf F	154.50	151	152.80	159.90
Outokumpu A	78	77.20	77.50	78.50
Rautaruukki	36.10	35.50	36	36.50
Stockmann A	N.T.	N.T.	N.T.	251
UPM-Kymme	99.50	98.30	99.40	100.20
Valmet A	74.50	73.10	73	75.50

Hong Kong
Hang Seng: 10638.08
Previous: 10880.10

	High	Low	Close	Prev.
Amoy Props	9	8.85	8.90	9.05
Bk East Asia	27.30	26.90	27.15	27.50
Cathay Pacific	13.20	12.90	13.20	13.30
Cheung Kong	53	52	52.75	53.75
China Light	33.60	33.20	33.40	34
Chin Estates	6.90	6.60	6.70	6.75
Citic Pacific	31	30.70	30.80	31.10
Cons Elec Pwr	12.45	12	12.45	12.15
Dao Heng Bk	29.90	29.50	29.90	29.90
First Pacific	12	11.75	11.95	11.85
Great Eagle	22	21.80	22	22.30
Guangdong Inv	4.90	4.75	4.85	4.88
Guoco Group	36.10	35.80	35.90	36.50
Hang Lung	14.10	13.90	14.05	14.10
Hang Seng Bk	75.75	74.50	75.50	76.50
Henderson Inv	7.20	7.05	7.15	7.25
Henderson Ld	55.50	54.75	55.25	56.75
HKR Intl	9.15	8.95	9.10	9.15
HK Aircraft	21.15	20.90	21.15	21.35
HK China Gas	12.10	11.95	12.10	12.20
HK Electric	23.70	23.60	23.70	24.10
HK Shang Htls	13.15	12.90	13.15	13.35
HK Telecomm	13	12.80	12.90	13.15
Hopewell Hdgs	4.20	4.10	4.18	4.18
HSBC Hdgs	119.50	118	119	120.50
Hutchison Wh	46.50	46.10	46.50	47.10
Hysan Dev	22.20	21.30	22.20	21.75
Johnson El 500	17.45	17.15	17.35	17.50
Miramar Hotel	15.90	15.55	15.55	16.10
Natl Mutual	6.45	6.20	6.40	6.25
New World	35.40	34.70	35.20	35.70
Oriental Press	4	3.88	4	4.03
Orient Telecom	3.45	3.38	3.38	3.50
Shangri-La	10.65	10.45	10.65	10.65
SHK Props	72.75	71.75	72.25	74.25
Shun Tak Hdgs	4.58	4.50	4.55	4.63
Sino Land Co.	7.55	7.45	7.55	7.70
Sth China Post	4.95	4.80	4.95	4.95
Swire Pac A	65.50	64.25	65.25	65.75
Tsim Sha Tsui	9.85	9.70	9.80	9.90
TV Broadcasts	28.50	28.30	28.40	29.25
Wharf Hdgs	26.25	26.05	26.25	26.80
Wheelock	14.65	14.50	14.65	14.95

Jakarta
Composite index: 573.33
Previous: 579.81

	High	Low	Close	Prev.
Astra Intl	2500	2500	2500	2500
Barito Pacific	1550	1450	1525	1475
Gudang Garam	9275	9075	9200	9275
Indah Kiat	2125	2075	2100	2100
Indocement	N.T.	N.T.	N.T.	7300
Indofood	10100	10000	10050	10200
Indorayon	2150	2150	2150	2150
Indosat	7650	7600	7625	7575
Kalbe Farma	4700	4525	4525	4750
Sampoerna	25600	25250	25550	25500

Johannesburg
All Market: 6628.39
Previous: 6808.03

	High	Low	Close	Prev.
AngloAm-Corp	257	254.50	256.25	261
AngloAm Gold	398	391	397	398
AngloAm Ind	148.75	136	148.50	152
Barlow	44.50	43	44.40	45.40
C.G. Smith	21	20	20.65	21.90
De Beers	142.50	139.50	141	146
Driefontein	60.75	59.75	60.50	60.75
Freegold	47.50	46.75	47	47.50
Fst Natl Bk	28.25	26.50	26.50	28.40
Gencor	15.70	15	15.30	15.70
GFSA	125	123	123	126
Iscor	3.06	2.98	3.05	3.07
Johnnies Ind	54	52	53.25	54.75
Kloof Gold	45.75	44.75	44.75	46
Liberty Life	136.25	132.50	134	138.50
Minorco	99	94.50	94.50	100
Nedcor	64.25	63.50	64	65.50
Rembrandt Gp	39.50	37.50	39.50	39.50
Richemont	65	63	64	66.50
Rust Platinum	66.75	65.25	65.25	66.75
SA Breweries	124.50	118	118.50	126.25
Sappi	44.35	43.25	44.35	44.50
Sasol	44.50	43	44	45.05
SBIC	169	168	168.25	170.50
Tiger Oats	54.75	52	53.75	56

Kuala Lumpur
Composite: 1121.77
Previous: 1134.41

	High	Low	Close	Prev.
Genting	19.10	18.70	18.80	18.90
Hicom Hldgs	7.35	7.25	7.30	7.50
Mal Banking	24.10	23.80	23.90	24.30
Mal Intl Ship F	7.55	7.45	7.45	7.55
Public Bank F	5.20	5.15	5.15	5.20
Resorts World	13.40	13	13.30	13.30
Sime Darby	7.30	7.15	7.30	7.30
Telekom Mal	20.90	20.50	20.70	21
Tenaga	10.30	10.20	10.20	10.40
Utd Engineers	17.50	17.10	17.40	17.50

London
FT-SE 100: 3632.30
Previous: 3698.30

	High	Low	Close	Prev.
Abbey Natl	5.69	5.55	5.63	5.74
Allied Domecq	4.30	4.20	4.22	4.32
Anglian Water	5.35	5.20	5.30	5.30
Arjo Wiggins	1.78	1.72	1.78	1.79
Asda Group	1.17	1.15	1.15	1.17
Assoc Br Foods	4.02	3.96	4	4.04
BAA	4.97	4.65	4.95	4.80
Barclays	7.91	7.80	7.82	7.94
Bass	8.07	7.97	8.05	8.13
BAT Ind	4.94	4.70	4.88	4.85
Bank Scotland	2.38	2.33	2.34	2.43
BICC	3.15	3.10	3.11	3.17
Blue Circle	3.57	3.48	3.55	3.64
BOC Group	9.35	9.26	9.28	9.41
Boots	6	5.48	5.53	5.73
Bowater	3.59	3.46	3.58	3.55
BPB Ind	3.56	3.36	3.56	3.48
Brit Aerosp	9.38	9.23	9.29	9.40
Brit Airways	5.21	5.11	5.13	5.22
Brit Gas	1.89	1.83	1.85	1.90
Brit Petm	5.95	5.82	5.84	5.92
Brit Steel	1.66	1.61	1.64	1.66
Brit Telecom	3.55	3.42	3.52	3.54
BTR	2.44	2.28	2.33	2.37
Burmah Cast	10.15	10	10.10	10.11
Cable Wireless	4.07	3.95	4	4.10
Cadbury Schw	5	4.88	4.92	5.02
Caradon	2.05	1.98	2	2.07
Carlton Comm	4.70	4.60	4.67	4.74
Coats Viyella	1.70	1.66	1.68	1.69
Comml Union	5.65	5.48	5.61	5.66
Courtaulds	4.50	4.20	4.20	4.35
De La Rue	6.08	5.95	6.07	6.10
Eng China Cl	2.58	2.50	2.52	2.61
Enterprise Oil	4.76	4.63	4.68	4.76
Forn Colonial	1.53	1.49	1.52	1.54
Genl Accident	6.39	6.13	6.25	6.25
GEC	3.72	3.53	3.58	3.66
GKN	10.40	10.20	10.25	10.42
Glaxo	8.75	8.59	8.66	8.72
Granada Gp	8.12	7.93	7.96	8.21
Grand Met	4.45	4.15	4.16	4.35
GRE	2.37	2.26	2.32	2.36
Guinness	4.68	4.60	4.63	4.68
GUS	6.45	6.23	6.33	6.46
Hanson	1.68	1.60	1.62	1.68
Hillsdown Hdg	1.72	1.65	1.70	1.72
HSBC Hldgs	9.97	9.85	9.89	10.14
ICI	8.01	7.86	7.90	8.01
Inchcape	2.86	2.78	2.84	2.85
Kingfisher	6.13	5.98	6.09	6.22
Ladbroke	1.83	1.77	1.80	1.84
Land Sec	6.18	6.06	6.11	6.17
Laporte	6.88	6.79	6.86	6.95
Lasmo	1.74	1.70	1.72	1.73
Legal Genl Grp	6.90	6.80	6.80	6.89
Lloyds Abbey	5.15	5.05	5.10	5.15
Lloyds TSB Gp	3.33	3.19	3.24	3.32
London Elec	5.97	5.85	5.88	5.98
Lucas Ind	2.18	2.11	2.12	2.19
Marks Spencer	4.79	4.61	4.67	4.77
MEPC	4.07	3.95	4.01	4.10
Mercury Asset	9.59	8.88	8.95	9.32
Midlands Elec	4.20	4.17	4.17	4.17
Natl Power	3.88	3.74	3.80	3.90
NatWest	6.23	6.12	6.15	6.25
News Intl	3.93	3.85	3.95	3.95
Utd Utilities	5.55	5.45	5.49	5.55
Nthern Foods	1.80	1.75	1.80	1.80
P&O	5	4.82	5	4.89
Pearson	6.40	6.15	6.20	6.40
Pilkington	1.85	1.80	1.84	1.86
PowerGen	4.90	4.82	4.84	4.87
Prudential	4.18	4.05	4.14	4.14
Rank Org	5	4.48	4.66	4.61
Reckitt Colm	6.75	6.56	6.59	6.75
Redland	4.02	3.91	4.02	4.01
Reed Intl	10.84	10.52	10.75	10.97
Rentokil	4.10	3.97	3.99	4.14
Reuters Hdgs	7.28	7.10	7.17	7.34
RMC Group	10.37	10.10	10.22	10.50
Rolls Royce	2.20	2.13	2.15	2.23
Royal Bk Scot	4.82	4.68	4.72	4.85
RTZ reg	9.81	8.83	8.91	9.01
Royal Insur	3.94	3.80	3.84	3.94
Safeway	3.27	3.20	3.23	3.29
Sainsbury	3.70	3.63	3.63	3.69
Schroders	12.93	12.80	12.85	13.02
Scot Newcastle	6.50	6.42	6.44	6.54
Scot Power	3.08	3.03	3.07	3.08
Sears	0.97	0.93	0.94	0.97
Severn Trent	5.32	5.15	5.31	5.27
Shell Trsp reg	9.40	9.17	9.17	9.38
Siebe	9.22	9.12	9.18	9.27
Smith Nephew	2.03	2	2.02	2.04
Smith (WH)	4.70	4.55	4.59	4.79
SmithKline	6.88	6.63	6.65	6.84
Smiths Ind	6.92	6.83	6.86	6.99
Sthern Elec	7.03	6.62	6.62	6.82
Stand Charter	6.47	6.27	6.44	6.45
Sun Alliance	3.67	3.55	3.62	3.67
Tate & Lyle	4.58	4.49	4.52	4.60
Tesco	2.80	2.74	2.77	2.79
Thames Water	5.60	5.48	5.56	5.59
Thorn EMI	17.07	16.63	17.03	17.25
3i Group	4.26	4.13	4.15	4.29
TI Group	5.39	5.26	5.26	5.42
Tomkins	2.55	2.47	2.53	2.55
Unilever	12.62	12.39	12.41	12.60
Utd Biscuits	2.23	2.18	2.20	2.22
Utd News	6.43	6.25	6.27	6.58
Vendome uts	5.97	5.88	5.97	6.10
Vodafone	2.24	2.17	2.20	2.29
Whitbread	7.22	7.15	7.17	7.25
Williams Hdgs	3.25	3.18	3.25	3.28
Wolseley	4.27	4.13	4.19	4.34
Zeneca	14.04	13.83	13.87	14.16

Madrid
Bolsa index: 352.69
Previous: 358.29

	High	Low	Close	Prev.
Acerinox	12100	11900	11970	12150
ACESA	1400	1375	1380	1425
Argentaria	5190	5078	5120	5180
BBV	5320	5220	5250	5330
Banesto	814	800	804	806
Bankinter	14180	13900	14010	14300
Bco Centro Hisp	2465	2420	2435	2495
Bco Exterior	2850	2850	2850	2850
Bco Popular	21600	21050	21490	21800
Bco Santander	5940	5800	5860	5910
CEPSA	4200	4050	4130	4140
Corp Mapfre	6100	5700	6080	6180
Dragados	1675	1630	1670	1665
Endesa	7540	7280	7370	7400
FECSA	945	925	929	955
Fomento Const	9930	9700	9870	9860
Gas Natural	25200	24510	24630	25530
Hidroel Cantab	4335	4060	4230	4220
Iberdrola	1200	1160	1185	1200
Pryca	2995	2905	2955	3020
Repsol	4250	4160	4175	4305
Sevillana Elec	1050	1030	1030	1065
Tabacalera	6500	6120	6320	6310
Telefonica	2170	2125	2135	2195
Union Fenosa	773	760	768	774
Valenc Cement	1395	1330	1390	1325

Manila
PSE index: 3199.32
Previous: 3248.31

	High	Low	Close	Prev.
Ayala A	26	25	26	26
Ayala Land	48	47	47.50	48.50
Manila Elec A	115	112	113	117
Metro Bank	750	735	740	750
Petron	11	10.50	10.50	10.75
Phil Long Dist	1550	1525	1530	1550
San Miguel A	41.50	41	41	42
San Miguel B	86.50	86	86.50	87.50
SM Prime Hdg	6.70	6.70	6.70	6.80

Mexico
Bolsa index: 2837.72
Previous: 2916.55

	High	Low	Close	Prev.
Alfa A	31.60	29.60	30.50	30.80
Cemex B	27.75	26.50	27.00	27.40
Cifra C	10.24	10.00	10.00	10.16
Empresas ICA	99.00	95.80	96.00	100.00
Emp Moderna	31.90	30.80	30.80	31.45
Femsa	20.70	19.60	19.80	20.40
Gpo Carso A1	49.70	45.90	47.00	49.50
Televisa CPO	97.40	87.00	87.10	96.00
TelMex L	11.52	10.80	10.98	11.30
Tribasa	14.00	12.90	12.90	14.00

Milan
MIB Telematico: 9711.00
Previous: 9925.00

	High	Low	Close	Prev.
Alleanza Assic	12620	12240	12350	12650
Bco Comm Ital	2940	2830	2850	2940
Bco Naz Agricol	830	800	825	821
Bca Naz Lavoro	10900	10795	10820	10910
Bca di Roma	1380	1305	1340	1373
Bco Ambrosiano	4065	3850	3850	4050
Benetton	18980	18150	18610	18950
Credito Italiano	1667	1610	1633	1651
Fiat	4935	4775	4800	4920
Fondiaria	6860	6600	6600	6865
Generali Assic	34950	34250	34350	35000
IFIL	4305	4120	4180	4310
Italcementi	11000	10700	10950	11095
Italgas	5295	5020	5125	5300
Mediobanca	8900	8620	8650	8920
Montedison	808	790	790	816
Olivetti	844	805	821	863
Pirelli	2365	2320	2330	2355
RAS	14820	14265	14500	14750
Rinascente	10150	10000	10150	10150
S Paolo Torino	9300	8980	9005	9315
SME	2260	2250	2250	2250
Standa	16000	16000	16000	16500
Stet	4775	4560	4600	4725
Telecom Italia	2950	2845	2850	2995
Toro Assic	17650	16990	17150	17650

Montreal
Industrials index: 2315.91
Previous: 2386.57

	High	Low	Close	Prev.
Alcan I	19.10	19	19.10	19.05
Bank Montreal	32.90	32.30	32.40	32.85
Bce Mob Com	44	43.40	44	43¾
Cdn Tire A	17⅛	15	15½	17⅛
Cdn Util A	27.05	27.05	27.05	27.20
Cascades	5¾	5.65	5.65	5⅝
CT Finl Svc	26	26	26	26.30
Extendicare	N.T.	N.T.	N.T.	16
Gaz Metro	15¼	15.20	15¼	15⅛
Gt-West Lifeco	33.95	33.95	33.95	33.60
Hees Intl Bcp	15.70	15.60	15.60	15.95
Hudson's Bay	19.90	19.60	19¾	20
Imasco	27.55	26	27	27¾
Investors Grp	17.10	17	17.10	17¼
Loblaw Cos	11.65	11.30	11.50	11.70
Molson A	22.05	22	22	22.38
Natl Bk Canada	11.30	11.05	11.10	11⅛
Oshawa A	20.85	20.85	20.85	20.80
Pancdn Petlm	32.70	32.30	32.30	32.85
Power Corp	21.65	21.40	21½	21.65
Power Finl	37½	37.10	37.10	37.30
Quebecor B	20¼	20½	20½	20½
Rogers Comm B	12.10	11.70	11.70	12.05
Royal Bk Cda	33.65	33.10	33.30	33¾
Sears Canada	7.70	7.65	7.65	7.65
Shell Cda A	47	46¾	46.55	47.05
Southam	15¾	15.65	15.70	16.15
Stelco A	6.05	5.85	6	6.10
Trilon Finl A	5.30	5.20	5.20	5.45

Oslo
OBX index: 450.01
Previous: 459.28

	High	Low	Close	Prev.
Aker A	128	126.50	127	131
Bergesen Dy B	122	120	121	124
Christiania Bk	15.60	15.40	15.50	15.80
Den norske Bk	19.60	19.30	19.60	19.80
SAS Norge ASA	69	69	69	72
Dyno Indust	140.50	135	135	145
Elkem	91	88.50	91	93.50
Hafslund A	48	47	48	48.50
Kvaerner	285	275	280	287
Leif Hoegh	109	106	109	115
Norsk Hydro	305	300	301	307.50
Norske Skog A	207	201	204	209
Orkla	328	325	328	331
Rieber B	135	132.50	132.50	139
Saga Petlm B	95	86.50	86.50	88.50
Schibsted	83.50	83	83.50	83.50
UniStorebr A	31.50	30.60	30.90	31.60

Paris
CAC-40: 1989.51
Previous: 2029.51

	High	Low	Close	Prev.
Accor	688	675	680	690
AGF	135.30	133.50	133.80	136.30
Air Liquide	886	869	882	883
Alcatel Alsth	415	405	407	419.70
Axa	274.90	271.50	272	277.70
Bancaire	558	540	549	561
BNP	184.90	180	181	187.60
Bouygues	540	529	536	544
Canal Plus	1153	1132	1150	1165
Carrefour	2678	2622	2649	2683
CCF	236.90	232.20	235.40	238.60
Credit Local cl	447	434	443	451.80
Credit Lyon PC	135	129	132.10	132
Crown Cork Seal	220	201	220	221
Danone	768	751	759	766
Elf-Aquitaine	358.70	353	355.30	359.60
Eridania BS	715	687	700	717
Euro Disney	13.75	13.35	13.40	13.60
Eurotunnel uts	8.90	8.15	8.75	8.95
Gen. Eaux	518	507	510	521
Havas	358	346	355.90	371
Lafarge Cop	307.70	301.20	304.70	312
Legrand	822	798	813	811
L'Oreal	1546	1503	1515	1556
LVMH	1159	1128	1136	1157
Lyon. Eaux	458	447	452.50	464.10
Michelin B	242.50	234.70	237.50	245
Navig Mixte	754	754	754	755
Paribas A	305.70	297.10	299.30	303.50
Pechiney SA	206.90	203.50	205	208
Pernod Ricard	314.20	306.10	312.80	311.70
Peugeot Cit	613	596	611	616
Pinault-Print	1589	1546	1553	1604
Promodes	1353	1315	1322	1370
Renault	122	116.60	120	123.10
Rh-Poulenc A	128	125.10	125.50	129.40
Roussel-Uclaf	1169	1131	1140	1180
Sanofi	372.30	366	372.10	375.40
Schneider	240.50	236.50	237.40	243.70
Ste Generale	570	556	558	575
St Gobain	646	632	638	644
St Louis	1327	1301	1327	1322
Suez	178.80	175	176	181.70
Thomson CSF	134	127.70	129.60	137
Total B	362.50	358.50	360	365.40
UAP	108.80	97.50	98.50	101.50
Valeo	269	264.10	269	273.50

São Paulo
Bovespa index: 63208.30
Previous: 64329.10

	High	Low	Close	Prev.
Bco Brasil Pfd	10.39	9.90	10.00	9.90
Banespa Pfd	3.66	3.50	3.60	3.60
Bradesco Pfd	8.05	7.85	7.85	8.15
Brahma Pfd	637.00	632.00	632.01	638.00
Cemig Pfd	28.80	26.15	28.20	28.80
CESP Pfd	30.80	30.50	30.50	30.50
Eletrobras B	285.00	279.00	280.00	280.00
Itaubanco Pfd	405.00	405.00	405.00	405.00
Light	278.00	275.00	275.00	280.00
Paranapan Pfd	7.00	6.95	6.95	7.01
Petrobras Pfd	120.00	116.50	116.51	119.00
Sid Nacional	25.00	24.00	24.50	24.80
Souza Cruz	8.20	8.20	8.20	8.35
Telebras Pfd	79.40	75.01	75.21	79.10
Telesp Pfd	219.00	211.38	211.39	221.00
Usiminas Pfd	1.10	1.07	1.07	1.10
CVRD Pfd	18.90	18.30	18.30	18.75

Seoul
Composite index: 812.66
Previous: 814.11

	High	Low	Close	Prev.
Daewoo Heavy	6230	6100	6230	6100
Hyundai Eng	33600	32800	33300	33300
Hyundai Motor	29800	28600	29300	29000
Korea El Pwr	27600	27200	27300	27600
Korea Mob Tel	720000	692000	720000	695000
LG Electronics	16000	15200	15700	15700
Pohang Iron St	50800	49600	49600	51000
Samsung Elec	69100	66500	68800	68000
Samsung Hvy	12500	11700	12500	11800
Yukong	21400	20800	21300	21400

Singapore
Straits Times: 2179.45
Previous: 2180.80

	High	Low	Close	Prev.
Cerebos Pac	12.40	12.40	12.40	12
City Devlts	10.60	10.20	10.40	10.30
Cycle Carriage	13.50	13.20	13.30	13.50
Dairy Farm Intl *	0.84	0.83	0.84	0.83
DBS	9.25	9.15	9.25	9.25
DBS Land	4.60	4.54	4.56	4.60
Fraser & Neave	14.50	14.10	14.50	14.30
HK Land *	2.24	2.19	2.24	2.27
Hong Leong Fin	3.76	3.76	3.76	3.80
Jard Matheson *	6.90	6.75	6.85	6.80
Jard Strategic *	3.10	3.06	3.06	3.14
Keppel	11.10	10.70	10.90	11
Natsteel	2.57	2.46	2.51	2.50
Neptune Orient	1.37	1.32	1.34	1.37
OCBC foreign	16.10	15.70	16.10	16.10
O'Sea Union Bk	6.70	6.55	6.70	6.65
Sembawang	6.30	6.15	6.15	6.15
Sing Airlines F	14.40	14	14.20	14.20
Sing Petlm	1.71	1.69	1.71	1.70
Sing Press F	26.90	26.70	26.70	26.80
ST Auto F	2.89	2.87	2.87	2.90
ST Ship	2.30	2.30	2.30	2.32
Sing Telecomm	3.52	3.46	3.50	3.54
Straits Steam	4.62	4.58	4.60	4.64
Utd Industrial	1.41	1.38	1.41	1.41
Utd O'Sea Bk F	12.70	12.40	12.50	12.70
Wing Tai Hdgs	2.91	2.82	2.85	2.90

*: in U.S. dollars.

Stockholm
SX 16 index: 1956.03
Previous: 1996.73

	High	Low	Close	Prev.
AGA BF	112	110.50	111	113
ABB AF	710	704	708	711
AssiDoman F	154	152	154	153.50
Astra AF	270.50	267	268.50	273
Atlas Copco AF	121	118.50	119	122
Avesta F	60	58.50	60	61
Electrolux BF	343	335	338.50	340
Ericsson BF	131	126.50	129.50	135.50
Hennes BF	644	630	637	653
Incentive AF	350	347	347	352
Investor BF	237	233.50	236	239
Kinnevik BF	182	175	182	185.50
MoDo BF	172	168	170	172
Sandvik BF	147.50	146	147.50	149.50
SCA BF	142	138	141	142
S-E Banken AF	54.50	53.50	54	55.50
Skandia Fors F	165	162	164	166
Skanska BF	231	228	230.50	231.50
SKF BF	150.50	146	146	152
SSAB BF	85	83	85	87
Stora AF	89.50	87	89.50	90
Sv Handles AF	132.50	130	132	133
Sydkraft AF	143	143	143	148
Trelleborg BF	82	80	81	83
Volvo BF	140.50	138	140	142

Sydney
All Ordinaries: 2100.60
Previous: 2147.10

	High	Low	Close	Prev.
Amcor	8.22	8.05	8.12	8.28
ANZ Bkng	5.95	5.90	5.94	6.02
BHP	16.27	15.97	16.02	16.50
Boral	3.01	2.91	3.01	3.01
Brambles Ind.	17.10	16.90	17.07	17.34
Burns Philp	2.09	2	2.08	2.10
CBA	9.95	9.74	9.93	10.01
CC Amatil	13.63	13.42	13.52	13.90
Coles Myer	4.42	4.36	4.38	4.45
Comalco	6.90	6.78	6.85	7.10
CRA Ltd	17.50	17.25	17.35	17.80
CSR	4.20	4.12	4.13	4.24
Fosters Brew	2.11	2.02	2.07	2.12
GIO Australia	2.88	2.81	2.84	2.95
Goodman Fld	1.22	1.20	1.21	1.24
ICI Australia	10.66	10.40	10.51	10.69
John Fairfax	2.52	2.47	2.52	2.55
Lend Lease	18.69	18.20	18.25	18.90
Mayne Nickless	7.20	7	7.20	7.27
MIM Hdgs	1.53	1.47	1.51	1.53
Nat Aust Bank	11.29	11.18	11.27	11.38
News Corp	6.92	6.80	6.86	6.99
North Ltd	3.53	3.45	3.45	3.61
Pacific Dunlop	2.73	2.65	2.73	2.76
Pioneer Intl	3.54	3.48	3.49	3.57
Placer Pacific	1.62	1.53	1.56	1.62
Santos	4.46	4.38	4.40	4.50
Southcorp	2.96	2.90	2.95	3.03
Wesfarmers	7.36	7.25	7.25	7.45
Wstrn Mining	8.33	8.06	8.25	8.44
Westfield Trt	2.30	2.27	2.29	2.31
Westpac Bkng	5.33	5.20	5.27	5.38
Woodside Pet	7.44	7.33	7.42	7.52
Woolworths	2.82	2.75	2.75	2.86

Taipei
Stock Market index: 5955.50
Previous: 6062.52

	High	Low	Close	Prev.
Asia Cement	49.90	49	49	50
Cathay Life Ins	173	169	170	175
Chang Hwa Bk	144	140	142.50	144
China Steel	26.40	26	26	26.50
China Trust	49.30	47	48.90	48
Evergreen	50.50	50	50	50.50
Far East Text	31.60	30.20	30.20	30.70
First Bank	145	142	144	146.50
Formosa CF	33.70	33	33	33.20
Hua Nan Bk	129.50	125.50	127	130
Hualon Teijran	25	23.80	23.80	25
ICBC	85	80.50	83	85
President Ent	48.80	46	46	48
Taiwan Cemt	57.50	56.50	57	57.50
Tatung	59	58	58	59.50

Tokyo
Nikkei 225: 21406.35
Previous: 21753.42

	High	Low	Close	Prev.
Ajinomoto	1240	1220	1240	1250
All Nippon Air	1140	1120	1120	1140
Asahi Bank	1220	1200	1210	1230
Asahi Chem	752	744	745	756
Asahi Glass	1270	1260	1270	1280
Bk Tokyo Mitsu	2300	2270	2290	2300
Bk Yokohama	939	930	935	946
Bridgestone	2060	2040	2040	2080
Canon	2040	1970	2010	2150
Chiba Bank	910	902	910	920
Chubu Elec	2400	2370	2370	2390
Chugoku Elec	2360	2340	2340	2350
Daiei	1290	1250	1280	1270
Daiichi Kang	1840	1820	1820	1860
Daiwa Bank	720	712	716	721
Daiwa House	1670	1660	1670	1680
Daiwa Sec	1290	1260	1280	1290
Fanuc	4140	4080	4140	4120
Fuji Bank	2170	2140	2140	2190
Fuji Photo	3300	3210	3290	3300
Fujitsu	985	976	976	990
Hitachi	995	984	984	1010
Honda Motor	2710	2660	2710	2710
IBJ	2500	2470	2490	2510
IHI	512	507	511	519
Itochu	735	725	730	740
Ito-Yokado	6610	6570	6600	6700
JAL	908	887	905	893
Jusco	3550	3520	3540	3570
Kajima	1040	1000	1030	1040
Kansai Elec	2390	2370	2380	2400
Kao	1460	1410	1440	1430
Kawa Steel	378	375	378	381
KDD	10800	10500	10700	10800
Kinki Nipp Ry	779	775	778	780
Kirin Brewery	1290	1270	1290	1320
Kobe Steel	292	288	290	292
Komatsu	1020	996	1020	1010
Kubota	700	687	696	704
Kyocera	7400	7300	7370	7410
Kyushu Elec	2400	2370	2400	2380
LTCB	785	777	783	779
Marubeni	568	561	565	568
Marui	2350	2320	2330	2360
Matsu Elec Ind	1950	1920	1940	1970
Matsu Elec Wk	1130	1110	1130	1140
Mitsubishi	1430	1410	1420	1440
Mitsubishi Ch	499	491	495	500
Mitsubishi El	735	729	730	745
Mitsubishi Est	1460	1430	1450	1470
Mitsubishi Hvy	915	899	912	918
Mitsubishi Mat	934	931	934	940
Mitsubishi Tr	1800	1760	1780	1800
Mitsui	979	974	979	983
Mitsui Fudosn	1400	1370	1390	1410
Mitsui Trust	1230	1200	1210	1230
Murata Mfg	3820	3770	3810	3810
NEC	1160	1140	1140	1180
New Oji Paper	941	933	940	949
Nikko Sec	1120	1100	1110	1120
Nintendo	7520	7360	7450	7620
Nipp Credit Bk	400	396	399	399
Nipp Express	1010	994	999	1020
Nippon Oil	702	697	700	710
Nippon Paper	684	675	675	685
Nippon Steel	346	343	344	346
Nippon Yusen	614	603	612	616
Nippondenso	2260	2230	2240	2280
Nissan Motor	912	902	912	921
NKK	301	298	300	305
Nomura Sec	1970	1950	1960	1980
NTT	7940a	7860a	7900a	7980a
Obayashi	938	925	928	951
Odakyu El Ry	720	713	716	721
Ono Pharm	3650	3540	3650	3640
Osaka Gas	383	378	378	385
Ricoh	1110	1090	1090	1130
Sakura Bk	1130	1100	1110	1140
Sankyo	2850	2800	2840	2850
Sanwa Bank	1840	1790	1810	1860
Sanyo Elec	625	620	621	631
Secom	6940	6880	6940	6950
Seibu Rwy	5660	5560	5570	5700
Sekisui House	1240	1230	1230	1240
Seven-Eleven	6980	6900	6940	6990
Sharp	1780	1770	1770	1800
Shimizu	1130	1110	1120	1130
Shin-etsu Ch	1990	1960	1960	2020
Shizuoka Bk	1310	1290	1290	1330
Sony	7040	6970	6990	7110
Sumitomo	980	970	975	983
Sumitomo Bk	2000	1980	1990	2020
Sumit Chem	522	514	521	518
Sumitomo Elec	1540	1500	1520	1530
Sumit Metal	308	305	307	310
Sumit Trust	1400	1370	1380	1400
Taisei	726	721	721	739
Taisho Pharm	2260	2220	2260	2260
Takeda Chem	1930	1910	1920	1950
TDK	5950	5860	5900	5990
Tohoku El Pwr	2410	2370	2380	2420
Tokai Bank	1330	1310	1310	1340
Tokio Marine	1340	1320	1330	1340
Tokyo El Pwr	2700	2680	2680	2720
Tokyo Gas	380	375	375	382
Tokyu	785	776	776	794
Tonen	1540	1510	1520	1540
Toppan Print	1540	1520	1530	1550
Toray Ind	728	722	726	729
Toshiba	742	735	735	751
Toyo Seikan	3600	3550	3570	3680
Toyo Trust	1050	1040	1050	1050
Toyota Motor	2620	2590	2610	2630
Yamaichi Sec	710	687	710	695
Yamanouchi	2330	2290	2320	2320
Yasuda Fire	771	759	763	778
Yasuda Trust	645	626	639	646

a: x 100

Toronto
TSE Industrials: 4853.92
Previous: 4955.32

	High	Low	Close	Prev.
Abitibi Price	17.55	16½	17.15	17½
Air Canada	4.45	4.35	4.39	4.41
Alberta Energy	26	25½	25.60	26.10
Alcan Alum	40.45	39.35	39.95	40.05
Avenor A	22¾	22¼	22.30	22.90
Bk Nova Scotia	32¼	31½	31.80	32.10
Barrick Gold	36.95	34.20	35.15	37
BCE	55.35	53½	54.10	55.20
BC Telecomm	26¼	26½	26.60	26¼
Bombardier B	18.55	17.70	18	18½
Brascan A	24¼	24	24	24.20
Cameco	63.40	62	62¼	63.40
CIBC	45	44	44½	44.90
Cdn Airlines	2.53	2.46	2.46	2½
Cdn Nat Res	27	26.15	26.40	26.90
Cdn Occid Pet	23.15	21¾	22.10	22.15
Cdn Pacific	26.90	26½	27.40	28.70
Cominco	28.10	27.05	27¼	28½
Consumers Gas	21.10	21	21	21.10
Dofasco	20.15	18½	19¼	19.90
Domtar Ind B	9¾	9.60	9.60	9.90
Du Pont Cda A	30½	30.15	30½	30½
Echo Bay Min	13.95	13	13	14
Empire Co. A	12¼	12¼	12¼	12.90
Falconbridge	28½	27.85	27.85	28.45
Fletcher Chall A	18.95	18½	18.55	18¾
Franco Nevada	42.45	41¼	41¾	42.05
Guardian Cap A	8.90	8.90	8.90	9
Hemlo Gold	15¼	14.55	14.55	15.20
Horsham	18	17	17.55	18.40
Imperial Oil	56.90	55.15	55¼	56¼
Inco	41.90	39.80	40½	42
IPL Energy	35.10	34.70	34¾	35.10
Laidlaw A	12½	12.10	12.10	12.55
Laidlaw B	12.60	11.90	12.10	12.55
Loewen Group	39½	38.10	38.40	39½
Ldn Insur Gp	29	28¾	28¾	29
Macmill Bloel	17.85	17.55	17.65	17.70
Magna Intl A	61	58	58¼	60¼
Maple Leaf Fds	7	6.80	6.80	6.90
Moore	26.60	25.20	25.90	26.45
Newbridge Net	73¼	64.05	68¼	72.55
Noranda Inc	27.80	26½	26.85	27.80
Noranda Forest	8¾	8.65	8.65	8.65
Norcen Energy	23.80	23.70	23.70	23¾
Nthern Telecom	68.65	62	65.90	67.70
Nova	12.30	12.05	12.15	12¼
Onex	14½	14	14¼	14.30
Placer Dome	32.30	29	30.10	32.45
Potash Sask	91	88	88	91
Provigo	7¼	7⅛	7¼	7.15
Quebecor Print	22.15	22	22.15	21.95
Renaissance	38½	35	36.40	37.90
Rio Algom	25¾	24.90	24.90	25.80
Seagram Co	44.60	43¼	44½	43.55
Stone Consold	15.90	15	15	16
Talisman Eny	34.20	33.15	33.55	34
Teleglobe	22½	21¾	21.80	22.65
Telus	19.15	18.95	19.10	19
Thomson	22.40	21.90	22.10	22.40
TorDom Bank	24.10	23.60	23.85	23.95
Transalta	15	14.70	14.85	15
TransCda Pipe	21.20	20¼	21.10	21.10
Utd Dominion	30½	30.20	30.20	30.55
Westburn	9¼	9¼	9¼	9¼
Westcoast Eny	21.20	21.05	21.10	21.20
Weston	47½	47.05	47¼	47¼

Vienna
ATX index: 1048.68
Previous: 1049.89

	High	Low	Close	Prev.
Aust Airlines	1610	1610	1610	1610
Brau-Un Goess	637	620	620	637
Bund Vers Pfd	400	400	400	403
Creditanst Pfd	495	488.70	492	510
EA-Generali	2960	2860	2870	3005
EVN	1439	1420	1433	1450
Interunfall	1293	1293	1293	1520
Lenzing	670	665	669	677
Leykam	294	284	286	295
Mayr-Melnhof	480	465	470	480
OMV	1028	1017	1020	1045
Oest Brau	629	617.50	620	628
Oest Elektriz	796	791	794	800
VA Tech	1327	1306	1316	1335
Wienerberger	1990	1965	1989	2000

Wellington
NZSE-40 index: 2061.27
Previous: 2090.82

	High	Low	Close	Prev.
Air N Zeald B	3.12	3.06	3.08	3.15
Brierly Invt	1.37	1.36	1.36	1.38
Carter Holt ord	3.32	3.29	3.29	3.35
Fernz	4.55	4.50	4.50	4.55
Fisher Paykel	4.55	4.54	4.54	4.65
FC Forest	1.72	1.68	1.68	1.73
Goodman Fder	1.40	1.39	1.39	1.42
Indep News	5.05	5.00	5.00	5.15
Lion Nathan	3.65	3.61	3.65	3.65
Nat Gas note	1.97	1.95	1.97	1.97
NZ Refining	N.T.	N.T.	N.T.	26.20
Telecom NZ	6.15	6.10	6.13	6.17
Wilson Horton	9.35	9.25	9.35	9.40

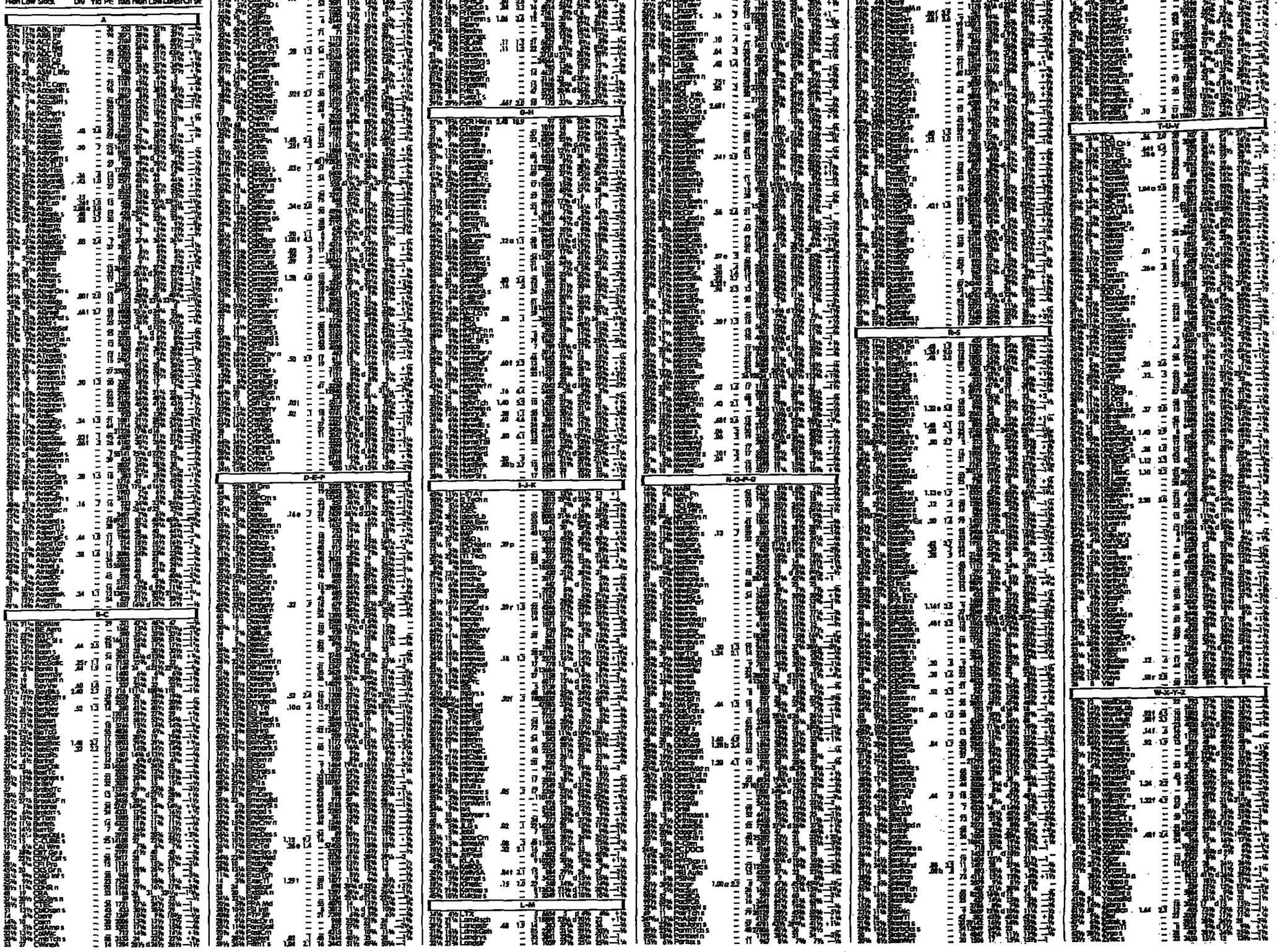
Zurich
SPI index: 2359.27
Previous: 2408.97

	High	Low	Close	Prev.
Adia B	290	278	285	294
Alusuisse R	1005	977	987	1018
Ares-Serono B	1005	1002	1002	1035
Baloise Hdg R	2650	2610	2620	2680
ABB B	1505	1481	1495	1532
BK Vision	1515	1500	1515	1543
Bobst B	1740	1720	1740	1740
Ciba Geigy R	1499	1478	1493	1524
CS Holdings R	126.75	124	126.75	129
Elektrowatt B	462	453	460	471
Fischer B	1360	1310	1325	1380
Hilti PC	907	895	900	920
Holderbank B	941	936	941	951
Jul. Baer Hdg B	1335	1325	1335	1350
Merkur Hdg R	235	230	234	239
Nestle R	1442	1412	1430	1466
Oerlikon R	118	116	117	120
Pargesa Hld B	1435	1400	1400	1450
PharmVisn B	5800	5650	5700	5900
Pirelli B	153	152	153	158
Roche Hdg PC	9385	9280	9360	9555
Sandoz R	1407	1389	1407	1431
SBC R	238.50	235.75	238.25	242.50
Schindler B	1280	1260	1280	1290
SGS B	2760	2710	2720	2800
SMH B	850	836	836	870
Sulzer R	780	750	767	789
Swiss Reins R	1232	1211	1231	1253
Swissair R	1180	1165	1175	1190
UBS B	1240	1224	1234	1259
Winterthur R	750	741	746	764
Zurich Assur R	333	327	331	338

NASDAQ

Tuesday's 4 p.m.

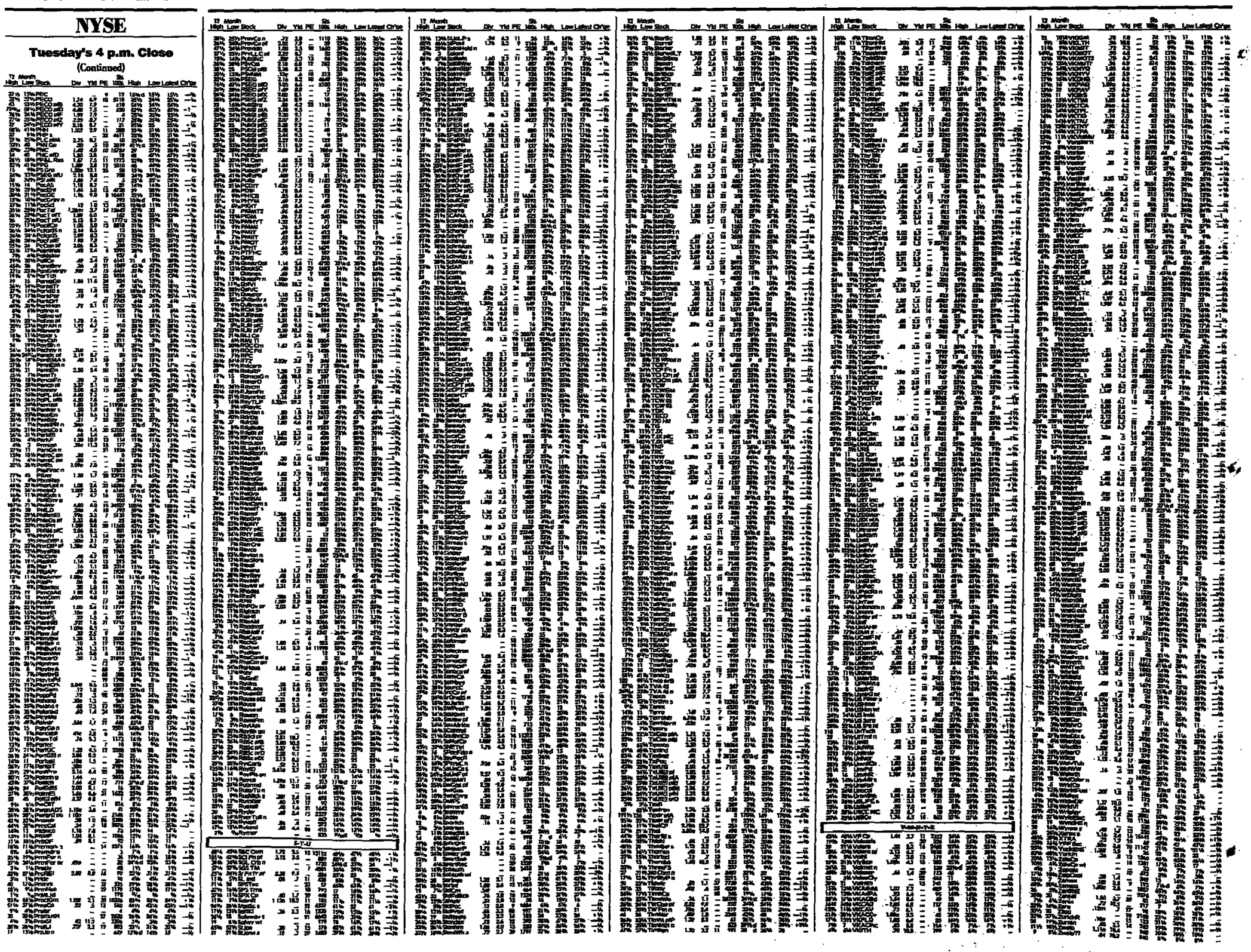
The 1,000 most-traded National Market securities in terms of dollar value, updated twice a year.
The Associated Press.



NYSE

Tuesday's 4 p.m. Close

(Continued)



China Considers Priming the Economic Pump

Compiled by Our Staff From Dispatches

BEIJING — China's decision to consider a second interest rate cut this year is prompted by a need to stimulate demand and investment amid signs the economic slowdown engineered by economic planners has gone too far, economists said on Tuesday.

Inflation has fallen far enough to permit a limited stimulation of the economy to create jobs, help cash-stretched state companies and bolster slumping exports, economists said.

Dai Xianglong, governor of the central bank, said Monday that falling inflation and a good summer grain harvest had created good conditions for a rate cut. He insisted, however, that a cut would mean no change in an "appropriately tight money policy."

Beijing announced Friday that retail prices rose 5.9 percent in June from a year earlier, compared with a 6.5 percent rise in the 12 months ended in May. The annual inflation rate was 7.1 percent for the first half.

Reviewing China's first-half economic performance on Monday, Mr. Dai pointed to steady growth, to continuing reform of China's financial system and a hefty $86 billion in foreign-exchange reserves as signs of a stronger economy.

But China's economy still has enormous problems. It is in the middle of a wrenching transition toward a market system while still plagued by an immense, inefficient state-owned sector, by chronic underemployment and by deep political uncertainty, with the senior leader, Deng Xiaoping, in his 90s.

Meanwhile, 49 percent of state-owned industrial enterprises now lose money, the Xinhua news agency reported on Monday.

As China's state companies struggle to stay afloat, a rate cut would help them by encouraging consumption and making investors take their money out of banks and invest it in companies, either in the form of stocks or corporate bonds.

"A rate cut would stimulate demand and investment and slow the growth in bank savings," said Li Kai, an economist with the State Information Center.

"With supply more than demand for most products, a cut would not affect the inflation rate too much," he said. "A cut would release more capital and help state firms employ more people, although their problems cannot be solved in one or two days."

A Western banker warned that China's three-year-old austerity program showed signs of cooling the economy more quickly than Beijing had wished.

"The economy is slowing faster than the leaders want," the banker said. "Inventories are going up, investment and export demand have slackened."

"Growth is not as strong as they think," he added. "They have to stimulate demand and have the scope to do it," he said. "But they do not want to give the impression of loosening credit."

In the first half of 1996, China's gross domestic product grew by a healthy 10 percent from the corresponding period last year, while retail prices rose at an annual rate of just 7.1 percent — down from 14.8 percent for all of 1995.

China cut its base lending rate by an average of 0.75 percentage point on May 1 as inflation slowed, its first such reduction since April 1991.

Mr. Li of the State Information Center said the main reasons a second rate cut was being considered were to ease the credit problems of inefficient state companies and the consequent burden on state banks, and to help exporters, which have been hit hard by tight credit and unpaid export-tax rebates.

In the first half of 1996, China's exports fell 8.2 percent, to $64.06 billion.

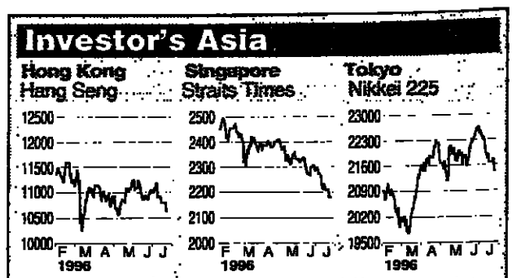
An economist with a Hong Kong brokerage said the main purpose of an interest-rate cut would be to help reduce the debt burden of state companies.

"Another motive is to encourage consumption and make investors take their money out of banks and invest it in companies, either in the form of stocks or corporate bonds," she said.

"The central bank has always been cautious with the issue of corporate bonds but will encourage the issue of more of them in the second half of the year," she added.

On Monday, Mr. Dai said he wanted to encourage direct investment into business by means of corporate bonds or by allowing large state concerns to set up finance companies. *(Reuters, NYT)*

Investor's Asia



Exchange	Index	Tuesday Close	Prev. Close	% Change
Hong Kong	Hang Seng	10,628.60	10,800.10	-1.59
Singapore	Straits Times	2,179.45	2,180.80	-0.06
Sydney	All Ordinaries	2,100.60	2,147.10	-2.17
Tokyo	Nikkei 225	21,408.35	21,753.42	-1.60
Kuala Lumpur	Composite	1,123.77	1,134.41	-0.94
Bangkok	SET	1,181.06	1,187.94	-0.58
Seoul	Composite Index	812.66	814.11	-0.18
Taipei	Stock Market Index	5,955.50	6,062.52	-1.77
Manila	PSE	3,199.32	3,248.31	-1.51
Jakarta	Composite Index	573.33	579.01	-0.98
Wellington	NZSE-40	2,061.27	2,090.02	-1.38
Bombay	Sensitive Index	3,644.93	3,712.37	-1.82

Source: Telekurs International Herald Tribune

Very briefly:

• **Ford Motor Co.**, launched a right-hand-drive version of its best-selling Taurus sedan that is targeted for the Asia-Pacific markets of **Singapore, Hong Kong, Thailand, Brunei, Japan, Australia** and **New Zealand**. A left-hand-drive version will be introduced in the Chinese market later this year.

• **Ping An Insurance Co.** of China has won a $2.1 billion insurance contract to cover the construction and installation of equipment at the Ling'Ao nuclear power plant, Xinhua reported. The contract as chief reinsurer went to an unnamed Munich-based firm, which sources indentified as **Münchener Rückversicherungs Gesellschaft AG.**

• **Japanese** debt from bankrupt companies in June more than doubled from a year ago because of failures of nonbank financial institutions. **Tokyo Commerce & Industry Co.** said debt totaled 761.87 billion yen ($6.99 billion), a record for the month.

• **The Philippines's** trade deficit grew 45 percent in May, to $1.08 billion, as imports of electronics components poured in to feed the country's thriving assembly industry.

• **Motorola Inc.'s Radio Products Group** has installed **India's** first public mobile radio trunk service in Bangalore. The service is a cheaper form of mobile communications that allows for instanteous communication.

• **McDonald's Corp.** plans to start operations in **India** by the end of the year. In keeping with local custom, the U.S. fast-food giant will feature vegetable, lamb, chicken and fish products and not sell beef and pork products.

• **Lehman Brothers** is planning to expand its presence in the **Indian** government bond market and infrastructure funding, focusing on energy, telecoms, financial institutions, ports and other projects.

• **Asia-Pacific Economic Cooperation** forum trade ministers endorsed the **World Trade Organization's** plan to liberalize world trade in telecommunications, maritime transport and financial services. *Bloomberg, AFP, Reuters*

Hopewell Is Clinging To Bangkok Project

Wu Gets Three More Months to Find Cash

Compiled by Our Staff From Dispatches

BANGKOK — Thailand backed down Tuesday from a threat to cancel a $3.2 billion mass-transit project for Bangkok led by Hopewell Holdings Ltd. of Hong Kong.

The government granted the company, headed by the financier Gordon Wu, a three-month extension to arrange financing. Hopewell said last month that it would miss Tuesday's deadline on financing because it had not gotten commitments from banks.

The cabinet said the long-delayed 60-kilometer (37-mile) road-and-rail project should proceed despite the absence of firm commitments from lenders, because scrapping it would require the process to start from the beginning.

Philipp Holzmann AG, the German civil-engineering company, signed an $890 million contract this month for work on the main road segment of project.

Bob Kevorkian, head of Holzmann's Thai subsidiary, said Deputy Prime Minister Thaksin Shinawatra, who supervises transit projects, had asked him whether he thought Mr. Wu "would deliver." Mr. Kevorkian said "I told him he was committed to the project like we are."

Bangkok has as many cars as New York or Paris, but only one-third as many roads. There is no mass-transit rail line, although another rail project is under construction.

Hopewell was awarded a concession in 1990 to build the system linking downtown Bangkok to the suburbs. So far, only about 12 percent of the work has been completed.

The government wants a link to the suburbs completed before the 1998 Asian Games, which are to take place near Bangkok.

Mr. Wu has said frequent changes in Thailand's government and meddling by bureaucrats at the State Railway has slowed progress. *(AP, Bloomberg)*

Sega's U.S. Chief Steps Down

By Laurence Zuckerman
New York Times Service

NEW YORK — Amid disappointing sales of its new video-game players, Sega of America Inc. has said Thomas Kalinske, its chief executive, would resign to join a new company founded by Michael R. Milken, the former Drexel Burnham Lambert Inc. junk-bond financier, and Lawrence J. Ellison, the chairman of the software maker Oracle Corp.

Mr. Kalinske, who helped catapult Sega to leadership in the video-game industry from a distant No. 2 behind Nintendo Corp., will be replaced by Shoichiro Irimajiri, an executive vice president of Sega Enterprises Ltd., the Japanese parent company of Sega of America.

In addition, Sega said Monday that Bernard Stolar, formerly an executive at Sony Computer Entertainment America, had joined the company as executive vice president in charge of product development.

The news came at a time when Sega's new Saturn video-game player is being outsold by Sony Corp.'s Playstation machine. Both are so-called 32-bit players, a reference to the power of the computer chips at their cores.

Next month Nintendo plans to introduce its new 64-bit machine in the United States, providing even more competition for Sega. Nintendo is counting on its powerful new player, which it released last month in Japan, to propel it back into the lead in the $15 billion world video-game market.

"The Sega people cannot be happy that they went from No. 1 to No. 2, and Nintendo, which is much larger, has not even entered the fray," said Lee Isgur, an analyst who follows the interactive entertainment industry for Jefferies & Co. in San Francisco.

Mr. Kalinske said that he had made the decision to leave on his own. "I clearly jumped," he said. "There was no pushing."

Mr. Kalinske added that he had resigned in May but that Sega's chairman had insisted that he stay until the end of the year. Instead, Mr. Kalinske agreed to stay until Oct. 1 and said he would remain on the board of Sega of America.

But he acknowledged that he had grown frustrated at times with his Japanese bosses, especially over how much Sega should charge for the new Saturn machines. The machines were introduced last year at a price of $499, but Mr. Kalinske said that he had wanted them to be priced initially at $299.

"We initially didn't go out at the right price and I think everybody is aware of that now," he said.

Sega eventually cut the Saturn player price to $199, but only after Sony had taken the lead by charging that much for the Playstation.

Mr. Kalinske will become president of Education Technology LLC, a company founded in March by Mr. Milken and Mr. Ellison to pursue opportunities in the education market.

"The goal is to meet the education needs of people over their entire lifetimes — from ages 2 to 80," Mr. Kalinske said.

He provided few details about the private company, which has only about eight employees, other than to say that its two wealthy backers had provided "hundreds of millions of dollars" to purchase or start companies related to the education market.

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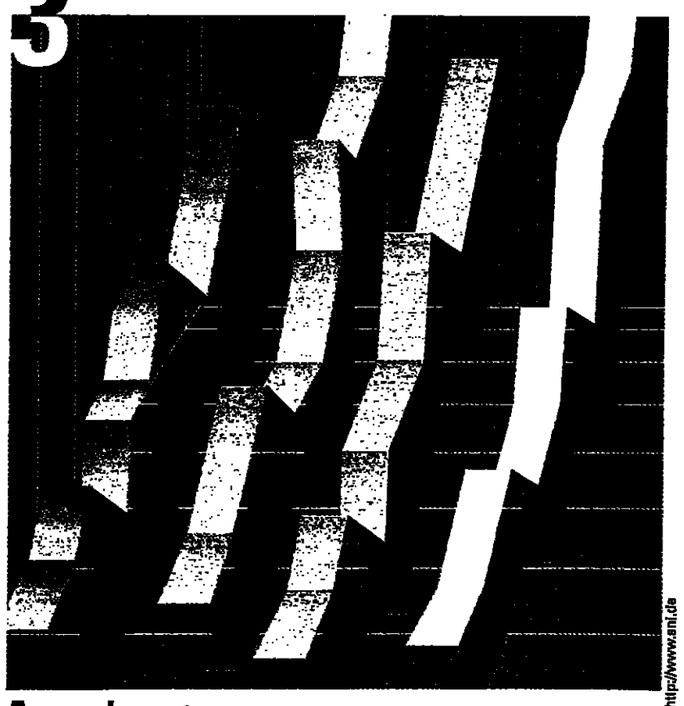

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INTERNATIONAL

Historically, a Bull Market Is Still a Good Bet After One Stumble

By Floyd Norris
New York Times Service

NEW YORK — One of the best stock market runs in history has ended. But if history is any guide, that does not mean disaster is inevitable.

The Dow Jones industrial average, after tumbling 161 points Monday, was down more than 7 percent from the peak it reached on May 22. It was the first time since 1994 that the Dow has shown a slide of more than 5 percent from a high.

What is remarkable about that is just how long it took to get a 5 percent decline, and how far the market rose during this period. The last few years had the lowest level of volatility on the stock market in decades, but that appears to have come to an end.

Figures compiled by Birinyi Associates, a market research firm, report that the long run of the Dow, from the end of the last decline of 5 percent or more, until its May peak, produced a rise of 57.2 percent in the blue-chip gauge — and took 546 calendar days, almost exactly 18 months.

That run ranks second in length, and sixth in terms of percentage gain, in the history of the Dow, according to the Birinyi figures.

In the past, such big runs have seldom ended at the very top of a bull market, and anyone who bought as soon as the Dow had fallen 5 percent — at the equivalent of now in this cycle — has generally done well.

Of the other nine runs in the top 10 in length, someone who had bought at the close on the day the Dow reached the 5-percent-decline point would have had an overall average gain of 11.1 percent a year later, including gains in six of the nine cases.

The three exceptions, however, include the two previously longest runs, one of 594 calendar days that ended in the summer of 1959, and one of 539 days that ended in the spring of 1965. A year later, the Dow was down 4.9 percent in the first case and 5.5 percent in the other.

One case in which the end of a long run also was the end of a bull market was December 1961, when the Dow peaked after a string of 414 days without a 5 percent correction. It then entered a decline that became a sharp bear market in the spring, as President John F. Kennedy angrily denounced U.S. Steel for raising prices. By the low, in June, the Dow was off 27 percent.

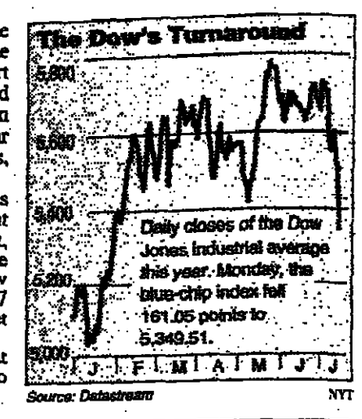
Over all, however, a prolonged period of little downside volatility — for that is what it means to go a long time without having a big drop — generally ends well before the bull market does.

For example, the longest such period in the 1980s bull market ended in the spring of 1986, 18 months before the peak. The longest such run in the 1920s ended in the autumn of 1927, almost two years before the crash.

Big runs without 5 percent corrections can come about in long bull markets, like the current one, or in wild ones, like the two in 1932 and 1933, which were short explosions off of deeply depressed prices. Of the other nine in the top 10 in that regard, the market was up a year after the first correction in seven cases, with an average gain of 13 percent.

Will past be prologue? That depends in large part on whether the current worries about the economy prove right, and on whether investors see this decline as a buying opportunity — the view taken in most setbacks since the 1987 collapse — or as a precursor to a market crash.

In any case, there is little doubt that the period in which there was almost no downward volatility has ended.



From London to Lisbon, Stocks Slump

By Erik Ipsen
International Herald Tribune

LONDON — Europe's stoicism in the face of huge losses on Wall Street evaporated Tuesday, sending stock prices sharply lower from London to Lisbon. "European markets can ignore small explosions in the American market but it is difficult to ignore a mega-ton bomb," said Roger Monson, chief equity strategist at Daiwa Europe.

Monday's 161-point drop in the Dow Jones average forced European investors to abandon earlier optimism that their markets might for once ride out the storm on Wall Street. Worst hit was Germany. There the DAX index fell nearly 81 points for a loss on the session of more than 3 percent.

As the day wore on, however, prices began to rebound off their lows as European markets took heart from fresh signs of benign inflation in the United States, and still later in the day, from a strong opening on Wall Street. By the end of the day the Financial Times-Stock Exchange 100-share index in Britain had regained nearly 20 points to close at 3632, a loss of 1.8 percent on the day.

However, with prices wilting anew on Wall Street after European markets had closed, the stage was set for yet a tumultuous day on Wednesday. Many analysts expect that European markets will continue to be buffeted by Wall Street's sharp swings.

Meantime, inflation remains subdued across the Continent. With the exception of Britain, where the economic expansion has entered its fourth year, the outlook for interest rates in Europe is still for some easing.

Underpinning such optimism is the subdued reaction of Europe's bond markets to the steep declines in recent weeks in bond prices on the other side of the Atlantic.

Without the drag of high borrowing costs, analysts are holding to their expectations of a continued improvement in the profit performance of European companies—and in the price of their shares. Goldman, Sachs & Co. and James Capel & Co., for instance, continue to forecast gains in Continental equities markets of as much as 10 percent over the next 12 months.

What worries some analysts is a newer fear evident in America. It is a fear that the backup in long-term interest rates seen in recent months, coupled with the steep decline in stock prices, will brake the American economy and possibly the dollar as well.

That could deprive Europe and the rest of the world of its vital engine of growth and send profit forecasts as well as stock prices tumbling.

Asia Shares Avoid Huge Losses

Having Trailed Wall Street Up, Less Room to Fall

By Kevin Murphy
International Herald Tribune

HONG KONG — Following a nervous Wall Street down, most Asian stock markets closed lower Tuesday, but hearteningly, without taking their typical roller coaster ride after a bad bump in New York.

No one welcomed daily declines of 1.6 percent in Hong Kong, 1.5 percent in the Philippines or a 1.8 percent drop in Taiwan. But after New York's precipitous sell-off Monday, many analysts said they felt the traditionally volatile Asian markets had emerged with little damage.

"Usually Asia goes down by a multiple of the losses in New York, today we fell by a fraction," said one Hong Kong-based market strategist. "I guess we should be happy, but one day doesn't make a trend. Another bad day on Wall Street and it could get ugly out here."

Investors Asia are watching U.S. interest rates closely because of the influence of the dollar on most Asian economies. Investors also fear that high yields on U.S. Treasury bonds will draw investors away from Asian securities.

An unexpected tightening in U.S. interest rates in early 1994 stopped high-flying Asian stock markets in their tracks and led to a sell-off across Asia.

This year, however, investors have been braced for months for a move by the Federal Reserve Board to raise rates in order to head off signs of inflation in the U.S. economy.

At the same time, Asian stocks are much more reasonably priced relative to company earnings now than they were during the 1993 regional bull run. In other words, analysts said, there is less distance for stocks to fall before they look cheap on a historical basis.

Also, several economies, notably Thailand, are just coming out of a period of monetary austerity. That means local investors are far more subdued than during 1993's wildest trading days.

"On a short-term basis, there is little upside, no one is going to be coming in to buy," said Renu Bhatia, a fund manager with HSBC Asset Management in Hong Kong. "Until we have a clear picture of where the U.S. is going to be in terms of interest rates, we are going to meander along at best."

Hong Kong has taken the brunt of selling in recent days as concerns about local companies' earnings and worries about the impact of an rate rise on real estate and banking stocks have combined to shave 5 percent off the Hang Seng index in the past 8 trading days. The index closed 172.1 points lower on Tuesday, at 10,628.00.

Tuesday's retreat was calm by Asian standards — markets lost between 5 percent and 7 percent of their value in one day alone in March following a U.S. employment report that suggested the economy was rapidly growing. But some analysts are predicting serious declines for Hong Kong.

"In our view Hong Kong is the most expensive market in Asia and one of the five most expensive in the world," said Abhijit Chakrabortti, a strategist with Lehman Brothers Asia Ltd.

Because the Hong Kong dollar is pegged at a constant value against the U.S. dollar, local interest rates are directly linked to those in the United States. Traditionally, the Hang Seng index has moved in clear step with 30-year Treasury bond prices.

"The long bond has lost nearly 16 percent, yet Hong Kong stocks remain up by 5.5 percent" this year, Mr. Chakrabortii said. "People argue that a decline in Hong Kong's political-risk premium because of reduced uncertainty about the 1997 handover should support a positive rerating, but if you look at relative yields in the Hong Kong bond markets, it's just not there."

Elsewhere in the region, Australian stocks dropped 2 percent to finish at an eight month low, largely on interest-rate concerns and fears that commodity prices would slide.

The Bombay stock market, a recent strong performer because India's monetary conditions are not directly affected by U.S. interest-rate moves, dropped 1.8 percent, to 3,644.93, amid nervousness about the upcoming national budget and negative reaction to government plans to raise railway freight rates.

ADS: *Vying to Stand Out Amid the Olympic Promotional Clutter*

Continued from Page 15

Olympic element except Izzy, the weird-looking mascot. Reebok International Ltd. is the official Olympic licensee and supplier.

A Nike magazine insert reads, "If you can't stand the heat, get out of Atlanta." A television commercial says: "You don't win silver. You lose gold." The campaign even seems to mock the concept of official sponsorship by proclaiming: "We don't sell dreams. We sell shoes."

"We feel strongly we haven't misappropriated anything," said Keith Peters, a spokesman for Nike. "We're not an Olympic sponsor and we're not trying to create an impression we are.

Dave Fogelson, a spokesman for Reebok, said: "It's a nonissue as far as we're concerned. It's a given the major shoe companies all have an involvement."

"There are benefits to being involved officially," he added, like Reebok's role in the giant Coca-Cola Olympic City exhibit, open from Memorial Day through Labor Day, and "a very nice retail presence" at the Centennial Olympic Park. The main focus of Reebok's program is the outfitting of athletes of more than 50 national Olympic committees.

One marketer known as an Olympic ambusher, American Express Co., has been quiet — so far.

If Visa International, an Olympic sponsor, does not "use the Olympics to bash a competitor," said John Hayes, executive vice president for global advertising at American Express in New York, Amex will forgo ploys like a campaign that appeared during the 1992 Summer Games in Barcelona. Those ads ended: "And remember, to visit Spain, you don't need a visa."

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Then again, it rarely tells

the whole truth.

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July 16, 1996

Other Funds

Herald Tribune INTERNATIONAL
SPORTS

WORLD ROUNDUP

British Rower, an Arrow on Water, Pursues a 4th Gold

By Ian Thomsen
International Herald Tribune

ATLANTA — Steven Redgrave, who dropped out of school 18 years ago because he couldn't read, who drags himself along with his back to the finish line, and who has earned no more from his sport than the sport has cost him over the years, will soon find himself racing with Carl Lewis.

When the Centennial Olympics open Friday night, Lewis will be received as universally as Princess Diana. He has been winning Olympic long jump titles since 1984 like an airplane leaving the runway with his legs churning where the wheels should be. He will be trying to win a gold medal in his fourth consecutive Olympics.

By the time he competes, midway through the 17-day Games, he will know if he has been beaten to his goal by Redgrave, a British rower. If Lewis appears to fly, then Redgrave plows and wheezes like a mule in bursts of six minutes at a time. Taken altogether, he is the engine of a sport even more elegant and graceful than Lewis's. Redgrave and his younger partner drive their boat across the flat pane of water like an arrow, an arrow on wings.

At 34, Redgrave is tall, big-boned, with blonde hair rarely combed for photographers. In 1984 he won his first gold medal in the coxed fours, an event that won't be contested in Atlanta. (Redgrave has outlived it.) In 1988 he won the Olympic coxless pairs with Andrew Holmes.

Then Redgrave tried bobsledding for a while — freeze the water, remove the oars, turn him around — but the British team wasn't very good. By 1992 he was back winning the coxless pairs with another partner, and by a luxurious five seconds at that.

The American discuss thrower Al Oerter (1956 to 1968) and Paul Elvstrom, the Danish yachtsman (1948 to 1960), are the only Olympians to win four consecutive gold medals in the same event. Lewis can match them in the long jump. Redgrave, having hopped boats, cannot. But no one has ever won four gold medals in a row in an endurance sport, as Redgrave is favored to do.

He is a sort of Olympic professional, rich in self-esteem if not in sterling. His medals are like family heirlooms, not to be kept hidden in a vault, and last December, at a fund-raising lunch in Atlanta, Redgrave passed them around the room. But the box came back without the medals.

"They put out this announcement to please return the medals, and they all came back except for one bronze from 1988," Redgrave said. "I couldn't imagine anybody really taking it. I figured it must be some guy accidentally taking it back to the kitchen with the rubbish. On Monday morning somebody phoned up the embassy saying they'd found a bronze medal and what should they do with it."

His partner at the last Olympics — and for two or three training sessions a day ever since — is 25-year-old Matthew Pinsent, who graduated from Eton and Oxford. All of English society opens up before a man of such credentials. Redgrave, oppositely, left school at 16. He is dyslexic. For money he has worked as a landscape gardener and a courier for the local newspaper, delivering advertising copy to the printers.

His father is a building contractor in Marlow, a working-class town along the Thames. For almost 10 years Redgrave declined offers of membership at Henley, the next town over, home to the lavish regatta. But excellence tends to do away with such barriers. Since 1987 he has been taking his meals with Pinsent at the famous Leander Club in Henley.

Over the years Redgrave has coached both Oxford and Cambridge before the Boat Race, though he never could have qualified to race in it himself. In his own boat he sits in the front, the leader grunting commands for a faster or steadier pace and staring at Pinsent's back all the while.

"I suppose I was aware of dyslexia at about 9 or 10," Redgrave said. "You become very adaptable in some ways, and you learn how to get around difficult situations. When you do find something you're quite good at — after going through most of your life at the bottom of the classes — you become more interested in doing it and becoming successful."

Rick Rycroft/AP

Dean Capobianco of Australia may be banned from Games.

Graf Withdraws

OLYMPICS Steffi Graf pulled out of the Olympics on Tuesday because of an injured left kneecap.

The German Tennis Federation made the announcement in Germany after Graf withdrew from the A&P Tennis Classic, citing the injury.

Graf, the co-No. 1 ranked player in women's tennis, reportedly reinjured her knee Sunday in Germany's Fed Cup match against Austria.

Graf was the Olympic champion in 1988 and the silver medalist in 1992.

● Dean Capobianco, a sprinter on Australia's Olympic team could be banned from the Atlanta Games and face a four-year suspension after confirmation of a positive test for the steroid stanozolol at a meet in Europe in May. He is awaiting a final decision by athletics officials. *(Reuters)*

Bomb on Tour Route

CYCLING Spanish police detonated a bomb Tuesday in Pamplona, Spain, where the Tour de France cycling race is due to finish its 17th stage on Wednesday, officials of the Navarre region said.

The officials did not speculate on who might have planted the bomb, but the Basque separatist group ETA has threatened to disrupt the Tour on its passage through the Basque country. *(Reuters)*

Carling Not on Squad

RUGBY Former captain Will Carling was omitted Tuesday from England's squad for the first time in eight years since joining the international fold.

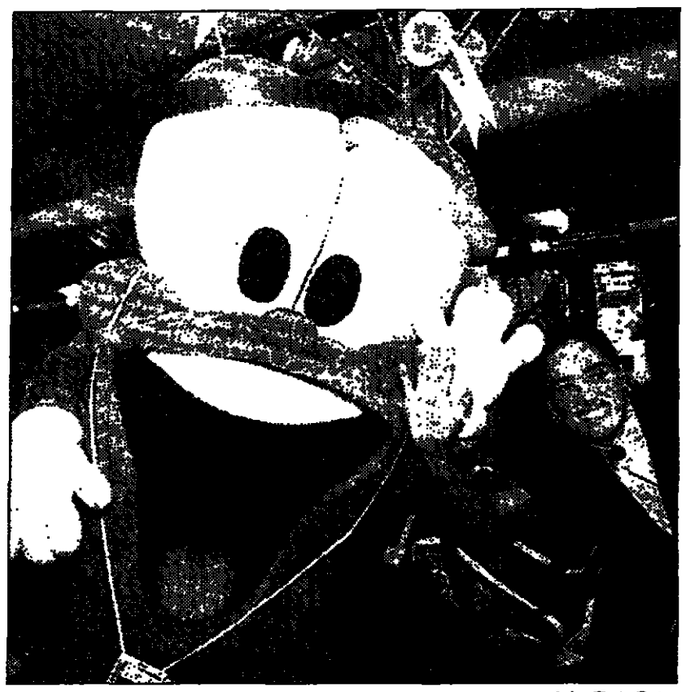
Carling, Jeremy Guscott, Rory Underwood and Dean Richards were all left out of the 43-player training session on July 24.

However the English Rugby Football Union said the omissions had nothing to do with discarding the senior players. *(AFP)*

Moorer Agrees to Plea

IBF heavyweight champion Michael Moorer agreed Monday to plead guilty to a disorderly conduct charge and pay a $1,000 fine for his role in a fight outside a bar in Monessen, Pennsylvania, on June 30.

Other charges, including threatening a police officer, will be dropped when the agreement is formally approved Aug. 19. *(AP)*



Andrew Winning/Reuters

Monica Rodriguez of Brazil's beach volleyball team and Olympic mascot Izzy.

Athletes Arriving in Atlanta Find It's Hurry Up and Wait

Compiled by Our Staff From Dispatches

ATLANTA — Welcome to Atlanta says the sign at the airport, but it may be up to six hours later that athletes finally check into the Olympic village.

Accreditation is proving exhausting for many of those officially attached to the Games — athletes, volunteers, catering and other staff and journalists.

Tuesday morning saw a long queue snaking around an office block in downtown Atlanta, waiting patiently for officials to take their photograph, check their documentation and issue them a plastic accreditation card.

"I thought America was meant to be a well-organized country," said one disgruntled German.

●

Gotcha! The Ring Police are on the case. This time, the culprit was The Varsity restaurant.

The problem? A tiny souvenir pin depicting one of the 68-year-old restaurant's trademark products — onion rings. Five nicely rounded onion rings; kind of like the five Olympic rings.

Not so fast, the fast-food restaurant was warned by the Ring Police. That's officially the Atlanta Centennial Olympic Properties, on the lookout to protect Olympic trademarks and the games' corporate sponsors.

They've nabbed dozens of other targets, including Fuji film and the U.S. Postal Service. They are poised for quick action when the games begin Friday. More than $10 million has been allocated for heading off unauthorized sales of merchandise with Olympic trademarks. Some 200 people will do the policing.

●

Enthusiastic sponsors are meeting NBC's price for the Atlanta Games' commercial spots, NBC Sports president Dick Ebersol said.

"We have only 55 total advertisers in these Games paying some $680 million," he said. The 1992 Barcelona Games, by comparison, saw more than 145 advertisers pay about $497 million.

Olympic coverage, which begins Friday, will average just under nine network commercial minutes an hour compared to nearly 10 minutes an hour for Barcelona. The network lost $100 million on the last Summer Games.

(Reuters, AP)

Ballesteros Is Hoping for a Miracle

By Leonard Shapiro
Washington Post Service

LYTHAM ST. ANNES, England — There is still a swagger in his step, the same signature thigh-high tug on the trousers before fully addressing the next shot, the charismatic aura that surrounds Seve Ballesteros as he stalks a golf course, searching in the high hay for all those typically wayward shots preceding miraculous escapes from danger all around.

The golfing hero of Spain and well beyond, without a top-10 finish this season, also has been able to maintain a delicious sense of humor, even if he and his adoring fans around the world know that he has little chance this week to repeat his heroics of the last two British Opens at Royal Lytham & St. Annes, site of the 125th.

Ballesteros, 39, won here at 22 in 1979, launched to the title by his famous parking lot birdie at No. 16. In 1988, he collected the claret jug again at the same seaside venue for the last of his three Open and five major victories in a stirring head-to-head final-day duel with Nick Price in 1988.

"When I won at Lytham in 1979, I was famous because I was the man who won the Open from the car park," Ballesteros remembered this week.

"It took me eight years to get rid of that until I birdied from the fairway," at 16 in '88. "I think I am in the same situation with my driving after the Ryder Cup. Perhaps I need to play in two or three more Ryder Cups and play well from the middle of the fairway to make people forget what happened at Oak Hill."

What happened last September in Rochester was mostly an embarrassment for Ballesteros, who will captain the European side and probably compete when the cup is contested in Spain next year.

Playing through back pain that has plagued him for the last few years, he lost his last two matches, including a 4 and 3 defeat to Tom Lehman in singles that saw him hit most tee shots every which way but straight. Though he salvaged some miracle halves early on that left Lehman shaking his head in wonder, it was no contest on the back nine.

It's been that way for most of the last two seasons for Ballesteros, who has won only once on the European circuit over that span and currently stands 118th on the merit of order. Yet, as he came to this storied links this week for the first time in eight years, he also refused to discount his chances of joining Harry Vardon, at Prestwick in Scotland in 1914, as the only men since 1872 to win three Opens at the same venue.

"When I watch the film of the Open wins, I see if I can pick up any details I'm not doing now to see if I can inspire myself," he said. "I'm proud to see what I did before. I'm sad I can't be youthful forever, but nobody can do that, everyone is going to die. That is the only truth in life, so you can't do anything about it. You just have to take it. But when you watch the films, it gives you confidence again. I know it's difficult. I know my game at the moment is not as good as before. But it is possible. I believe that."

Those who witnessed Ballesteros's two victories here will believe almost anything. Take the parking lot shot in '79. Ballesteros has always insisted that he clearly intended to hit right of the fairway off the tee at the 357-yard 16th. But his ball landed under a car in an area being used as a temporary lot for the tournament, and his free lift left him 25 yards from the fairway and at least 65 yards from the pin.

"Then I walked to the green to check the yardage and my brother (Baldomero) told me I was two shots ahead because Ben Crenshaw had double bogeyed the 17th," he said. "I tried to play a conservative second shot to the right side of the pin about 20 feet, and then I holed the putt. I had wanted to go to the right of the tee, but not that much."

In that final round, Ballesteros hit only one fairway and shot 70. Over the four days, he got up and down from 14 of 15 bunkers. That prompted Colin Maclaine, chairman of the championship committee that year, to declare he'd never seen anything quite like it.

In 1988, he was even better, shooting 65 in the last round to beat Price by two. This time at No. 16, Ballesteros hit a 9-iron from the fairway to within inches for a birdie that gave him a lead he never lost. He clinched with a delicate chip from about 60 feet, also to within inches.

"I had to birdie" at 18 "and I knew, I just knew I was going to hit that 6-iron stiff, to about a foot," Price recalled recently. "But I rushed it, hit it about a second early and went about 35 feet left. I knew I'd have to sink a bomb for a tie even before he made that incredible chip. My putt missed by about two inches, rolled six feet past and it was all over."

At the time, Ballesteros said of that 65, "you only hope for a round like that once every 25, maybe 50 years. So far it is the round of my life."

This week, he admitted it still is. "It has been eight years and I haven't produced a round similar to that," he said, "so I'm on the way to being right."

Riis Rides Away From the Field

By Samuel Abt
International Herald Tribune

LOURDES-HAUTACAM, France. — Bjarne Riis did it, and Miguel Indurain didn't.

Riis, the leader of the Tour de France, climbed magnificently Tuesday, riding away from the field as the bicycle race reached the Pyrenees mountains and the awaited showdown among the contenders for final victory Sunday in the 83d Tour. The Dane easily won the 16th stage by leaving everybody far behind halfway up the 13.5-kilometer (8-mile) climb to the Hautacam peak.

Indurain, the winner of the last five Tours, faltered when Riis attacked for a second time on the steep ascent. The Spaniard began to labor, fell behind the group of riders he accompanied and struggled alone toward the top. This was a pitiable way to spend his 32d birthday.

When Riis crossed the finish line with his arms raised and one finger on each hand up to signify his ranking as No. 1, nobody could argue. He was beginning to look unbeatable.

"I have a feeling that the Hautacam was made for me," Riis said a few days ago, displaying the confidence that has marked his rise from fifth place in the 1993 Tour to third place last year.

How right he was. The Telekom team leader won by 49 seconds over Richard Virenque, a Frenchman with Festina, and Laurent Dufaux, a Swiss with the same team. Indurain, who rides for Banesto, finished 2 minutes 28 seconds behind, in 12th place.

More important, the Dane opened some breathing room over his rivals.

Indurain dropped to 10th place overall, an unmanageable 7:06 behind. The other major fall of the day was suffered by Evgeni Berzin, a Russian with Gewiss, who went from third place to sixth, 4:07 behind.

"I think that three minutes, if I can hold that lead until the time trial, will be enough for me to win the Tour," the man in the yellow jersey said afterward, stretching his margin a bit. He finished the stage in 4 hours 56 minutes 16 seconds, an average of 40 kilometers an hour (25 miles an hour).

Riis triumphed so easily that the only trouble he had after he broke away alone was when he swerved too closely to a spectator's car parked along the road to the top. Hundreds of thousands of fans, many of them Spaniards who crossed the nearby border, watched the race in hot and sunny weather. Depending on where they stood along the narrow road, the fans saw the contenders bunched after some early attacks low on the climb. Jan Ullrich, a German with Telekom, was leading his captain plus Indurain and a dozen others when Riis suddenly moved to the right and slid back along the line of riders.

Pascal Pavani/Agence France-Presse

Miguel Indurain getting encouragement from a spectator on Tuesday.

It looked like a moment of weakness, but it wasn't. Once Riis saw who looked strong and who didn't, he quickly moved to the front and attacked. Indurain stayed with him. Then Riis accelerated again and that was the end of Indurain and everybody else.

The 199-kilometer (123-mile) stage was conducted over mainly flat country until it reached the wall of the Hautacam, high above the pilgrims' city of Lourdes and its grotto. The stage began in Agen, the prune capital of the universe, where an unwary visitor could sample such hospitality as prune juice, prunes in their pure state, prunes stuffed with prunes and, treacherously, prunes concealed in chocolates.

Shortly after the 134 riders departed, hanging a right where a statue of the 19th-century poet Jacques Jasmin pointed at a house shuttered against the blazing sun, a three-man attack was allowed to take off after a couple of others had been foiled. Leading the threesome was Laurent Roux, a Frenchman with TVM and a native of the Lot region where the stage began. On Monday he could not break free to salute his fan club at a roadside party in his honor, but on Tuesday he was given free rein.

Past fields of sunflowers rolling uphill to the horizon they flew, past tidy villages of cream-colored houses with red tiled roofs. The fugitives' lead exceeded seven minutes at Kilometer 63, which suited the overall leaders' strategy: Nobody would counterattack riders so far ahead, and the race could continue in a bunch until the breakaway was reeled in by the beginning of the Hautacam, where the real race began.

Roux did his best to thwart this grand design. Looking determined as he took his turns at the front of the break, he began leaving his companions behind by Kilometer 150.

His lead of four minutes began diminishing, however, and was barely above three when he rode by fields of grazing cows draped in blankets colored yellow or white with red polka dots in imitation of the jerseys of the Tour's leader and king of the mountains.

By the Hautacam, Roux's lead was in seconds, and he was cooked. He finished 51st, 10:37 behind. Once Roux was gone, the center of attraction became Indurain until he cracked and then Riis all the way to the top, only Riis.

SCOREBOARD

BASEBALL

MAJOR LEAGUE STANDINGS

AMERICAN LEAGUE

EAST DIVISION

	W	L	Pct.	GB
New York	56	34	.622	—
Baltimore	47	43	.522	9
Boston	41	49	.456	15
Toronto	41	51	.446	16
Detroit	28	65	.301	29½

CENTRAL DIVISION

Cleveland	55	37	.598	—
Chicago	53	39	.576	2
Milwaukee	44	47	.484	10½
Minnesota	43	48	.473	11½
Kansas City	40	52	.430	15½

WEST DIVISION

Texas	53	39	.576	—
Seattle	50	40	.556	2
California	45	48	.484	8½
Oakland	45	48	.484	8½

NATIONAL LEAGUE

EAST DIVISION

	W	L	Pct.	GB
Atlanta	58	34	.630	—
Montreal	50	42	.543	8
New York	44	48	.478	14
Florida	42	50	.457	16
Philadelphia	40	51	.440	17½

CENTRAL DIVISION

St. Louis	50	42	.543	—
Houston	49	45	.521	2
Cincinnati	42	45	.483	5½
Chicago	43	49	.467	7
Pittsburgh	40	52	.434	10

WEST DIVISION

Los Angeles	50	44	.532	—
Colorado	47	44	.516	1½
San Diego	46	46	.511	2
San Francisco	40	51	.440	8½

MONDAY'S LINE SCORES

AMERICAN LEAGUE

Toronto	004	002	000	6	9	2
Baltimore	001	200	005	8	7	0

Flener, Castillo (7), Timlin (9) and O'Brien; Krivda, Haynes (6) and Hoiles. W—Haynes, 3-5. L—Timlin, 0-2. HRs—Toronto, Brumfield (8), Samuel (5). Baltimore, Palmeiro (23), Hoiles (13), Bonilla (11), M. Smith (4).

New York	382	010	000	6	14	1
Boston	161	101	00x	9	13	0

Mendoza, Hutton (3), Nelson (6) and Leyritz; Gleyrgi (9); Wakefield, Eshelman (6), Hudson (8), Stanton (8), Slocumb (9) and Stanley. W—Wakefield, 6-9. Hutton, 0-1. Sv—Slocumb (13). HR— Boston, Jefferson (12).

Chicago	001	000	040	5	7	2
Minnesota	403	004	00x	16	16	1

McCaskill, Keyser (2), Stratton (4), Darwin (8) and Karkovice; Aldred, Mlicklin (8) and Walbeck. W—Aldred, 4-7. L—McCaskill, 5-5. HRs—Chicago, Tartabull (14), Snopek (5). Minnesota, Becker (9).

Cleveland	011	000	100	3	5	0
Kansas City	310	110	00x	6	11	1

Tavarez, Graves (4), Mesa (8) and S. Alomar, Perez (9); Pugh, Magnante (4), Pichardo (7), Montgomery (9) and Mackanin. W—Magnante, 2-2. L—Tavarez, 3-6. Sv—Montgomery (19). HRs—Cleveland, M.Ramirez (23). Kansas City, Mackanin (10), D. Howard (4).

Detroit	111	420	010	10	17	3
Milwaukee	003	001	302	9	16	2

Sager, R. Lewis (7), M. Myers (7), Olson (9) and Ausmus; Bones, Potts (4), Sparks (5), Miranda (8), J. Mercedes (9) and Matheny. Lewis (8). W—Sager, 2-1. L—Bones, 6-11. Sv—Olson (5). HRs—Detroit, Nieves 2 (11), T. Clark (8), Curtis (7), Ausmus (1). Milwaukee, G.Vaughn (27), Matheny (5).

California	000	130	600	10	11	0
Texas	430	000	000	7	11	0

Hancock, Holtz (2), Schmidt (5), McElroy (7), Perchal (8) and Fabregas; B.Wilt, Cook (5), Brandenburg (7), Heredia (8) and I. Rodriguez. W—Schmidt, 1-0. L—Brandenburg, 1-1. Sv—Perchal (24).

Seattle	000	010	103	5	8	0
Oakland	010	000	000	1	5	0

Wolcott and Marzano; Teigheder, Taylor (8), Groom (9) and Steinbach. W—Wolcott, 6-7. L—Teigheder, 0-1. HRs—Seattle, Buhner (24), Sorrento (17). Oakland, Berroa (22).

NATIONAL LEAGUE

St. Louis	102	030	020	8	8	1
Cincinnati	100	000	200	3	8	2

Morgan, Honeycutt (8), T. J.Mathews (8) and Pagnozzi; Saffield, Service (5), J. Ruffin (6), La.Smith (8) and Oliver. W—Morgan, 3-3. L—Saffield, 4-3. HRs—St. Louis, Lankford 2 (18). Cincinnati, Oliver (6).

Montreal	000	400	000	4	5	2
Atlanta	022	100	00x	5	11	1

Rueter, Manuel (3), Dyer (5), Daal (7), Juden (7) and D.Fletcher; G.Maddux, Cianiz (8), Borbon (8), Walters (9) and Ed.Perez. W—G. Maddux, 10-6. L—Manuel, 2-1. Sv—Walters (20). HR—Montreal, H. Rodriguez (26).

Houston	221	000	000	5	7	2
Florida	004	123	32x	15	24	0

Watt, Hudek (6), Morman (6), Johnstone (8) and R. Wilkins; Rapp, Pall (4), Weathers (6), Nen (9) and C. Johnson. W—Pall, 1-0. L—Watt, 6-2. HRs—Houston, Miller (10). Florida, Renteria (2).

Philadelphia	100	030	100	5	11	1
New York	101	130	01x	7	16	1

Springer, Borland (5), Blazier (7) and Santiago; P.Wilson, DiPoto (5), Person (6), Henry (8) and Mayne. W—DiPoto, 4-1. L—Springer, 2-7. Sv—Henry (7). HR—Philadelphia, Santiago (15).

Pittsburgh	010	000	001	2	8	2
Chicago	200	330	04x	12	16	0

Micell, Desseres (5), Parris (8) and Oslik, Kendall (3); Castillo, Sturtze (9) and Servais. W—Castillo, 3-11. L—Micell, 1-5. HRs—Chicago, Sosa (29), L. Gonez (14), McRae (4), J. Hernandez (4).

San Francisco	120	000	000	3	5	0
Colorado	007	000	00x	7	13	0

Bourgeois, DeLucia (6), Poole (8) and Manwaring, Lampkin (6); Bailey, S. Reed (8), B. Ruffin (9) and Je.Reed. W—Bailey, 1-1. L—Bourgeois, 1-2.

San Diego	000	000	000	0	5	1
Los Angeles	000	000	000	1	7	0

(10 innings)

Ashby, Villone (7), Bochtler (8), Hoffman (10) and B. Johnson; Astacio, Guthrie (9) and Piazza. W—Guthrie, 2-0. L—Hoffman, 5-4.

CYCLING

TOUR DE FRANCE

Leading results Tuesday in the Tour de France's 16th stage, the 199-kilometer (124-mile) leg from Agen to Lourdes-Hautacam:

1. Bjarne Riis, Denmark, Telekom, 4 hours, 56 minutes, 16 seconds; 2. Richard Virenque, France, Festina, 49 seconds back; 3. Laurent Dufaux, France, Festina, same time; 4. Luc Leblanc, France, Polli, 54 seconds; 5. Leonardo Piepoli, Italy, Refin, 57 seconds; 6. Tony Rominger, Switzerland, Mapei, 1 minute, 33 seconds; 7. Jan Ullrich, Germany, Telekom, same time; 8. Pavel Ugrumov, Russia, Rastotia, 2:41; 9. Laurent Brochard, France, Festina, 1:41; 10. Fernando Escartin, Spain, Kelme, 1:46.

STANDINGS: 1, Riis, 74 hours, 8 minutes, 26 seconds; 2, Abraham Olano, Spain, Mapei, 2 minutes, 42 seconds behind; 3, Rominger, 2:54; 4, Ullrich, 3:39; 5, Virenque, 4:05; 6, Yevgeny Berzin, Russia, Gewiss, 4:07; 7, Dufaux, 5:32; 8, Peter Luttenberger, Austria, Carrera, 5:59; 9, Escartin, 7:03; 10, Miguel Indurain, Spain, Banesto, 7:16; 11, Ugrumov, 7:28; 12, Leblanc, 7:41; 13, Bo Hamburger, Denmark, TVM, 10:48; 14, Piepoli, 11:01; 15, Manuel Fernandez Gines, Spain, Mapei, 13:07. ALSO: 17, Alex Zulle, Switzerland, ONCE, 19:43; 23, Alex Gamendia, Spain, ONCE, 27:28; 30, C. Boardman, Britain, 42:26; 41, C. Chiappucci, Italy, Carrera, 59:45.

TRANSITIONS

BASEBALL

AMERICAN LEAGUE

BALTIMORE—Put RHP Roger McDowell on 15-day disabled list, retroactive to July 12. Activated INF Jeff Huson from 15-day disabled list.

CALIFORNIA—Put LHP Mark Langston on 15-day disabled list.

TEXAS—Activated 1B Will Clark from 15-day disabled list. Put RHP Kevin Gross on 15-day disabled list.

NATIONAL LEAGUE

CINCINNATI—Optioned OF Curtis Goodwin to Indianapolis, AA. Recalled OF Eric Owens from Indianapolis.

HOUSTON— Activated RHP John Hudek from 60-day disabled list. Optioned INF Dave Hajek to Tucson, PCL.

NEW YORK—Activated RHP Paul Wilson from 15-day disabled list. Optioned LHP Pedro Martinez to Norfolk, IL.

PITTSBURGH PIRATES—Put Keith C Osik on 15-day disabled list. Recalled C Angelo Encarnacion from Calgary, PCL.

SAN DIEGO—Activated RHP Andy Ashby from 15-day disabled list. Optioned LHP Glenn Dishman to Las Vegas, PCL.

FOOTBALL

NATIONAL FOOTBALL LEAGUE

NFL—Suspended RB Barry Morris for 4 games in accordance with league's policy on drug and alcohol abuse.

BALTIMORE—Signed LB Ray Lewis to 5-year contract. Agreed to terms with OL Jonathan Ogden.

BUFFALO—Signed S Matt Stevens.

CINCINNATI—Signed TE Marco Battaglia, LB Tom Tumulty and OL Rod Jones to 3-year contracts. Waived DB Anthony Prior.

DALLAS—Signed DE Tony Casillas.

DETROIT—Signed DL Kerwin Waldroup.

GREEN BAY—Signed G Marco Rivera and LB Keith McKenzie. Waived WR Charlie Simmons and LB Reggie Barnes.

HOUSTON—Agreed to terms with DT Bryant Mix of Alcorn State, OL Jason Layman, and LB Terry Killens of Penn State.

MIAMI—Waived TE Andy Fuller. Signed RB Jarris McPhail.

NEW YORK JETS—Agreed to terms with WR Alex Van Dyke on 4-year contract and with CB Ray Mickens. S Marcus Coleman and TE Brian Lojka.

IHT Puts Baseball Stats on the Internet

All the box scores and the 1996 schedule on the IHT web site:
http://www.iht.com/IHT/SPORTS/bbl.html

SPORTS

Lasorda Sees Dodgers Win In 10 Innings

The Associated Press

Tom Lasorda sounded as emotional as ever. Back at Dodger Stadium for the first time since his heart attack on June 23, he watched Los Angeles beat San Diego in 10 innings.

"That was the best medicine they can give me, a victory like that," he said.

During a news conference before Monday night's game, Dr. Michael Mellman said Lasorda was at least two weeks away from returning to duty as the Dodgers' manager. But Mellman said Lasorda could continue to attend games.

"Tommy's on track," Mellman said. "We'll see after the upcoming road trip, if some more milestones are passed."

Lasorda, 68, got a standing ovation before the game from the crowd of 44,368. Los Angeles then stopped a 30-inning scoreless streak on pinch-hitter Dave Hansen's RBI single in the 10th, giving the Dodgers a 1-0 victory.

NL Roundup

Braves 5, Expos 4 Greg Maddux (10-6) won for the fifth time in six starts. He squeezed home one run, scored another and overcame a shaky fourth inning as Atlanta beat the visiting Expos.

Maddux, whose start was pushed back from Friday because of a cracked toenail on his right foot, allowed four runs — two earned — and four hits in seven innings.

The Braves' shortstop, Jeff Blauser, suffered a broken hand when he was hit by a pitch and will be out four to six weeks.

Marlins 15, Astros 5 Florida set a team record with 24 hits and rallied from a 5-0 deficit in manager John Boles's first game at Joe Robbie Stadium in Miami.

Houston took a 5-0 lead, but Kurt Abbott and Alex Arias sparked the comeback with key pinch hits, and Florida scored nine runs with two outs.

Rockies 7, Giants 3 Roger Bailey (1-1) settled down after a shaky start and then hit a bases-loaded triple as Colorado won its sixth straight.

Eric Young added four hits and Walt Weiss three hits as the Rockies continued their onslaught in Denver at Coors Field, tying the major-league record for consecutive home games (11) with at least seven runs.

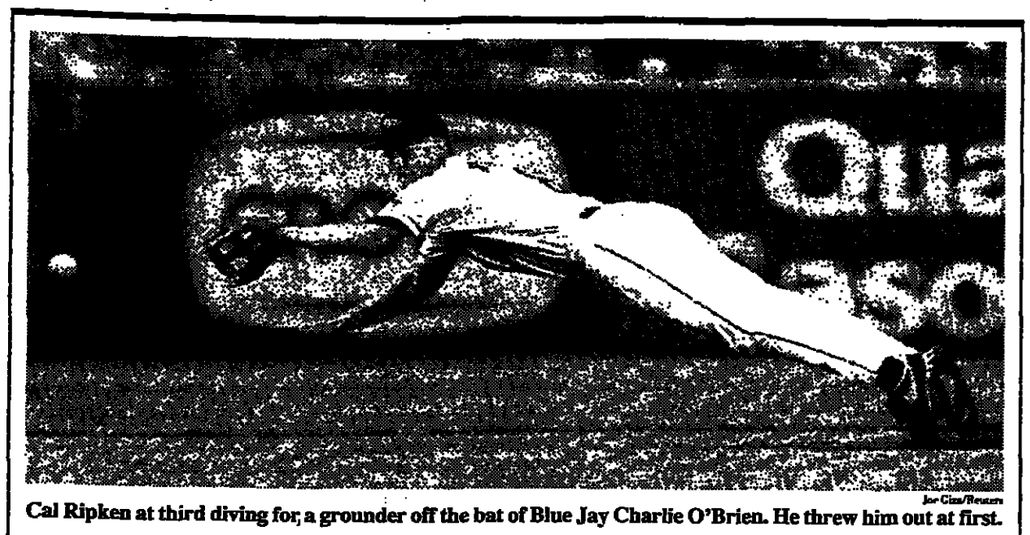
Cardinals 8, Reds 3 Ray Lankford had his third two-homer game of the season, driving in a career-high five runs as visiting St. Louis stretched its winning streak to four.

Lankford hit a solo homer in the first and a two-run homer in the third off Roger Salkeld (4-3), raising his season total to 18. He added a two-run double in the eighth off Lee Smith.

Cubs 12, Pirates 2 Sammy Sosa, Brian McRae, Leo Gomez and Jose Hernandez homered at Wrigley Field, sending Pittsburgh to its fourth consecutive loss. Sosa's homer was his NL-leading 29th.

Ryne Sandberg was hit by a pitch from Steve Parris on the outside of his right knee in the eighth inning. He had to be helped off the field and is listed as day-to-day.

Mets 7, Phillies 5 New York took advantage of third baseman Todd Zeile's throwing error in the fifth to score three runs and take the lead at Shea Stadium. The teams combined for 27 hits, 24 of them singles. Benito Santiago homered for the Phillies.



Joe Cizo/Reuters

Cal Ripken at third diving for a grounder off the bat of Blue Jay Charlie O'Brien. He threw him out at first.

Now Playing Third . . . Cal Ripken

By Richard Justice
Washington Post Service

BALTIMORE — The struggling Baltimore Orioles touched the previously untouchable Monday night when Manager Davey Johnson abruptly shifted Cal Ripken, a 13-time all-star shortstop, to third base.

Johnson discussed the move with Ripken late Sunday afternoon and wasted no time making it for Monday night's game against the Toronto Blue Jays at Oriole Park at Camden Yards.

Ripken, who was replaced at shortstop by Manny Alexander, made no effort to hide his unhappiness with the decision, saying that he was accepting it only because it's what his manager wanted.

"Davey seems pretty adamant about it," Ripken said.

"I was told it was a temporary situation in which to evaluate Manny Alexander as a shortstop. It's something they're really set on doing."

Last summer, such a controversy would have seemed unthinkable when Ripken gave baseball one of its most electrifying moments by breaking Lou Gehrig's record of 2,130 consecutive games. That streak stood at 2,244 Monday night.

The shift comes at a time when the Orioles (46-43) are 10 games out of first place in the American League East. Ripken has occupied the shortstop position for 14 years and 2,208 consecutive games.

"This is not a demotion or anything," Johnson said. "We just have to evaluate all our assets. You compare Cal to some other shortstops and he'd be a step or two behind rangewise.

"I would think he'd move to third base at some point in the future anyway. It's a move that allows me to keep a great player in the lineup. I've also got one of our young players in the lineup. If that's so bad, I'm sorry."

Despite Johnson's assurances, the move had the look and feel of a demotion even though Ripken is hitting .289 with 18 home runs and 67 RBIs.

"I don't take it as any sort of criticism of me," Ripken said. "I can't play shortstop any better than I've played shortstop, and I can't hit any better than I've hit the last couple of months.

"Therefore, it can't be a situation where I can't play shortstop. I have to believe everyone at their word when they say what's happening. They want a chance to look at Manny. That's their right."

Johnson explained his move: "We want to find out if Manny Alexander can be a shortstop at the major league level."

"Cal's a great shortstop," he said. "I also feel he'll be an all-star at third base. I feel we have to give Manny every opportunity to play his natural position. This might not be a fair test because he hasn't played in four months. Still, we're going to take a look at it."

Texas Blows 7-Run Lead for 3d Time

The Associated Press

For the third time this season, Texas lost a game in which it had led by seven runs. California matched its biggest comeback ever and won on the road.

Down 7-0 after two innings on Monday night, the Angels took the lead in the seventh when Garret Anderson's two-run single keyed a six-run rally.

Rookie Jeff Schmidt (1-0), recalled from the minors before the game, pitched two scoreless innings to win his first major league decision.

Red Sox 8, Yankees 6 Boston extended its longest winning streak of the season to six games even though starter Tim Wakefield gave up 13 hits in five innings.

Reggie Jefferson doubled during a four-run second inning and gave the Red Sox a 6-5 lead with a home run in the third at Fenway Park.

Tino Martinez had four hits for New York, which had won four in a row. Wade Boggs did not start for the Yankees because of a bruised right hand.

Mariners 5, Athletics 1 In Oakland, California, Bob Wolcott used just 80 pitches for a five-hitter that led Seattle over the A's.

Wolcott (6-7) walked none and struck out six in his first complete game in the majors. The Mariners were the only team in the majors without a complete game until Bob Wells pitched one Sunday.

Paul Sorrento and Jay Buhner homered for Seattle. A's reliever Billy Taylor was ejected by plate umpire Tim Welke as Buhner rounded the bases after his three-run shot in the ninth. Taylor thought he had struck out Buhner on a close pitch earlier in the at-bat.

AL Roundup

Royals 6, Indians 3 Michael Tucker and Johnny Damon hit consecutive triples during a three-run first inning as Kansas City stopped a three-game losing streak.

David Howard and Mike Macfarlane homered for the host Royals, who have split four games with Cleveland this season. Last year, Kansas City was 1-11 against the Indians.

Tucker got the Royals' first extra-base hit in 19 innings. He also sneaked home as part of a double steal, marking the team-record seventh time Kansas City has stolen home.

Tigers 10, Brewers 9 Melvin Nieves homered from both sides of the plate, and Detroit hit five home runs in winning at Milwaukee.

Brad Ausmus, Chad Curtis and Tony Clark also connected as the Tigers hit bases-empty homers in each of the first five innings.

Ausmus got the most unusual hit of the night. He stroked an RBI single on a pitch that bounced on its way to the plate.

Twins 16, White Sox 5 Rich Becker put on another power show for Minnesota, homering and driving in four runs at the Metrodome.

Becker has 16 RBIs in the Twins' five games since the All-Star break. He has three homers in three games.

Chuck Knoblauch scored four times for Minnesota.

Orioles 8, Blue Jays 6 Cal Ripken performed flawlessly in his first start at third base in 14 years, then started the game-winning rally by reaching base on an error as Baltimore scored five runs in the ninth inning and beat Toronto.

Chris Hoiles won the game with a two-run homer after Bobby Bonilla tied it with a three-run shot, ending the Orioles' five-game losing streak.

Blue Jays closer Mike Timlin (0-2) entered with a 6-3 lead in the ninth but couldn't hold it.

Mutombo and Hawks Sign $50 Million Deal

Portland Trades Strickland to Bullets

The Associated Press

Dikembe Mutombo signed with the Atlanta Hawks, and Rod Strickland was traded to the Washington Bullets on Monday night as the NBA free agent and trade markets heated up.

Mutombo, a 7-foot-2 (2.18-meter) center who played all five of his seasons with Denver and led the league in blocks the last three seasons, signed a five-year contract believed to be worth at least $50 million.

"It was time for me to move on with my life," Mutombo said.

The Hawks also traded swingman Stacey Augmon and forward Grant Long to the Detroit Pistons for two first-round and two second-round draft picks.

The Portland Trail Blazers sent Strickland, one of the league's top point guards, and forward Harvey Grant to the Washington Bullets for Rasheed Wallace and Mitchell Butler. The Bullets also signed free agent forward Tracy Murray.

One player who stayed put was Houston center Hakeem Olajuwon, who signed a five-year, $55 million contract extension with the Rockets. Olajuwon, 33, had just finished the first year of a four-year contract that gave him the opportunity to become a free agent after the 1996-97 season.

"I am very fortunate that I will have the opportunity to play my entire career in a Rockets uniform — a privilege that most players do not have," Olajuwon said. "The Rockets are my family and I am excited to continue to play for the wonderful fans of this city."

A three-time all-star, Mutombo finished third in the NBA in rebounding this year, averaging 11.8 a game. He has averaged 12.9 points, 12.3 rebounds and 3.8 blocks a game over his career.

"For the 6½ years that I've been here, we've been working to bring in a legitimate center," the Hawks' general manager, Pete Babcock, said. "It's an opportunity to bring in an outstanding shot blocker and rebounder."

The Pistons, who earlier lost guard Allan Houston to free agency, signed two free agents of their own: guard Michael Curry and center Don Reid.

Reid, a center, averaged 3.8 points and 2.9 rebounds as a rookie. Curry, a guard, averaged 4.6 points.

Strickland, who averaged 18.7 points and 9.6 assists in 67 games, walked out for six games last season, saying he would no longer play for coach P.J. Carlesimo. He returned, however, to help the Blazers reach the playoffs.

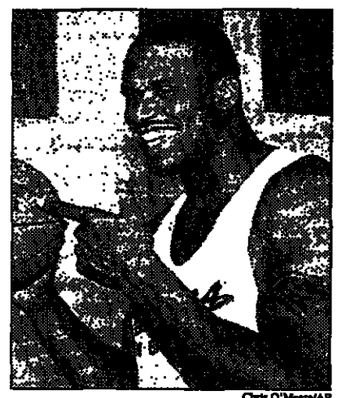
Grant returns to the Bullets after playing the last three seasons for Portland. The twin brother of Orlando's Horace Grant averaged 9.3 points and 4.8 rebounds in 76 games for the Blazers. Harvey Grant was drafted by Washington and played his first five seasons with the Bullets.

Wallace, a former North Carolina forward selected fourth overall in the 1995 draft, averaged 10.1 points and 4.7 rebounds in 65 games.

"To get a quality player like that is very, very important," said Bob Whitsitt, the Blazers' president and general manager.

Butler last season averaged 3.9 points as a backup guard.

Murray, 6-foot-7, averaged 16.2 points a game and 4.4 rebounds as the only Toronto player to appear in all 82 games last season. His .422 free-point shooting average ranked 16th in the league.



Chris O'Meara/AP

Shaquille O'Neal, sporting his Man of Steel tattoo, remains a free agent. The Magic have reportedly offered him $115 for seven years.

The Seattle SuperSonics re-signed free agent Sam Perkins to a two-year guaranteed contract. Terms of the deal were not announced.

Perkins, 35, a forward-center, played in all 82 games last season. A 12-year NBA veteran, he averaged 11.8 points and 4.5 rebounds.

Brent Price, a free agent point guard who spent the last three seasons with the Washington Bullets, signed a seven-year contract with the Houston Rockets, a Houston television station reported.

Price, 27, the younger brother of fellow free agent guard Mark Price, averaged 10.0 points, 5.1 assists and 2.8 rebounds in 81 games last season.

• With a six-year labor deal in place, the NBA players union turned its top position over to a former professional football player who was once a federal prosecutor.

Bill Hunter, a lawyer in Oakland, California, is expected to replace the acting executive director, Alex English, by the end of the summer.

Bowe-Golota Melee Is Expected to Lead To Further Arrests

New York Times Service

NEW YORK — The State Athletic Commission said Monday that it expected more arrests by the New York City police after the melee last week at Madison Square Garden that followed the Riddick Bowe-Andrew Golota bout.

"Of the 13 people arrested, none was licensed by the state as a cornerman or promoter," Gwenn Lee, a commission spokeswoman, said. At least four of those arrested were in the ring during the fighting that broke out after Golota was disqualified for a series of low blows.

"The police expect more arrests," she said.

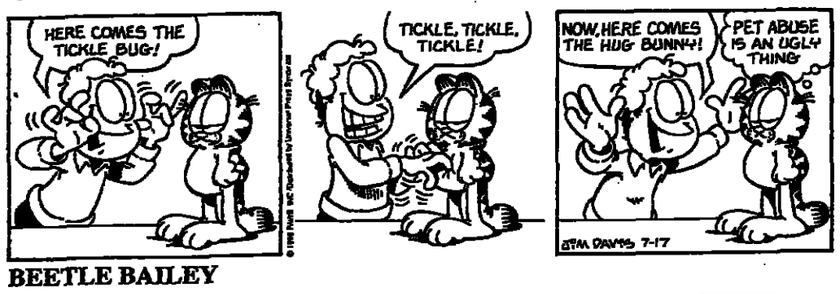
The $5.5 million purse, including Bowe's $5 million, is being held until it is determined what part either side's camp played in the fray.

DENNIS THE MENACE

PEANUTS

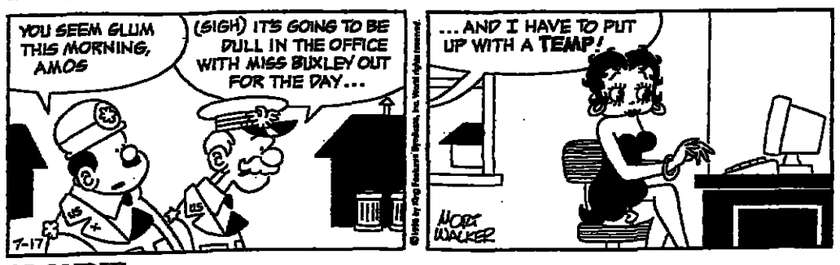
CALVIN AND HOBBES

GARFIELD

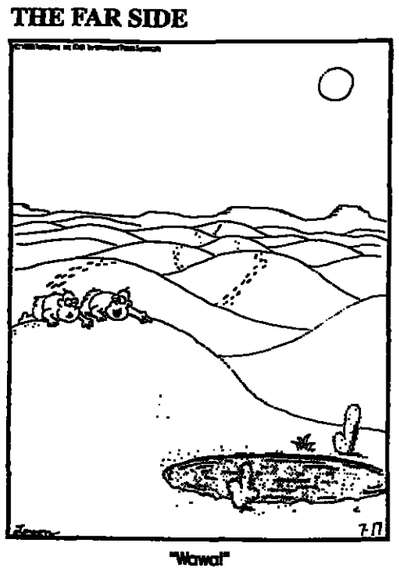


WIZARD of ID

BEETLE BAILEY



THE FAR SIDE



DOONESBURY

BLONDIE

JUMBLE

THAT SCRAMBLED WORD GAME by Henri Arnold and Mike Argirion

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

NAALC
NORPE
DRAUMA
TRUIPY

Now arrange the circled letters to form the surprise answer as suggested by the above picture.

Print answer here: A _____ _____

(Answers tomorrow)

Yesterday's Jumbles: Answer: SOUSE TRACT HERESY FASTEN
Why he sold exotic birds — TO FEATHER HIS NEST

Business Message Center
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OBSERVER

At the Starting Gate

By Russell Baker

NEW YORK — Now we have "Filegate." Since it involves many files, it should logically be "Filesgate," but skulduggery purists thought "Filesgate" sounded too much like a butler. "Filegate" sounds more like a scoundrel, and scoundrels, not butlers, are at the root of -gate genealogy.

Most people think the first -gate was named "Watergate," so perhaps it is appropriate to point out that this illustrates the weakness of history education in America. It is flattering to American egos to think that -gate history begins on our shores, but the truth is far more interesting.

The -gates go back to the dawn of recorded history, and perhaps beyond. The line's founder is generally said to have been "Applegate," a nasty situation that developed in the Garden of Eden after it was discovered that the first lady, in cahoots with a snake, had violated the law against apple consumption.

Recent research suggests that it was not an apple but an apricot whose consumption the law forbade. This has prompted some -gate scholars to declare that the line's founder was not "Applegate," but "Apricotgate." Some want to finesse the dispute by dropping fruit altogether and calling it "Snakegate." Still others suggest changing the founder's name to "Gardengate" and forgetting the whole thing.

□

Let's leave such quarrels to pedants, and move on to the notorious "Gategate." This occurred when certain Olympian goddesses conspired to lull Trojans into opening their city gates to admit a fake horse packed with murderous Greeks.

The -gates flourished down the centuries. There was the odious "Fiddlegate," in which the Emperor Nero besmirched the concept of executive privilege by fiddling while Rome burned.

And who does not remember "Mategate"? In that one King Henry VIII engaged in an openly adulterous relationship while insisting that it was not adulterous because his marriage was illegal. Modern scholars tend to refer to this assertion of executive authority as "Chutzpahgate."

□

There is intense argument about when the first -gate appeared in America. Persons of Indian ancestry say it was "Columbogate." This resulted after the European immigrants, having been welcomed into the neighborhood as guests, conspired with their governments to rob the Indians of all the best real estate.

Descendants of the European settlers, on the other hand, say the first American -gate was "Uniongate." The Indians, they say, had been corrupted by labor agitators — working illegally, since unions had not yet been approved by government. As a result, the Indians refused to work conscientiously for sweatshop wages and had to be replaced by costly slave labor imported from Africa.

Throughout the 19th century, -gates sprang up all over America wherever there was a shady dollar to be made. And with the 20th came -gates galore: Teapotdomegate, Trumancronygate, presidential-sexgate, Watergate, Iran-Contragate, Filegate, and on and on, we hope, to Heavensgate.

New York Times Service

South Africa Festival: Almost Art for Art's Sake

By Donald G. McNeil Jr.
New York Times Service

GRAHAMSTOWN, South Africa — It seems appropriate that the headquarters of Africa's biggest arts festival looks like a fortress.

Grahamstown began life as an armed outpost, from which English settlers, brought here in 1820 to buffer the Cape Colony from the Xhosa tribes to the east, began their bloody cavalry raids.

And the festival itself was created 22 years ago in response to what Rhodes University professors in town felt was the onslaught of nationalism. It was originally a Shakespeare festival, intended to celebrate the "endangered" English language and protect the traditions the founders ascribed to the 1820 settlers: free speech and public debate.

In the 1980s, it was transformed into an anti-apartheid forum. It declared war on racism, but the authorities largely ignored it, feeling that those white liberals and hippies could not hurt anyone if they were off in a tiny university town 90 minutes from the nearest airport. The festival was one of very few places in the country where there was no censorship, and no one was arrested for having blacks and whites together in the audience or on stage.

Now the wars are over. A Xhosa is president. Afrikaans is in retreat, at least on television and in government utterances. (It even has its own defensive festival, in nearby Oudtshoorn.) So the question before the festival's artists is: Now what?

This being a festival with 184 main events and 344 fringe ones, there are a lot of answers. One is: Forget politics. Do art. Terrence McNally's Broadway hit "Love! Valour! Compassion!" — about seven homosexual men in a summer cottage — is one of the main events.

But others are more in keeping with the festival's quasi-political history. A second answer is: Celebrate Africa. Promote fusion. A third: Look for new things to fight about.

Mike van Graan, a playwright and sometimes consultant to the country's arts and culture ministry, is from the last camp. His three one-act plays, collectively titled "Dinner Talk," are all on topics hot in post-apartheid South Africa: crime — a human rights lawyer guns down the men who killed his wife; the Truth Commission — a white woman discovers in bed that her Indian one-night stand may have planted the bomb that killed her sister; and the government gravy train — an artist-turned-culture ministry official argues with his former best friend, a still-struggling artist who accuses him of being an elitist sellout.

Adam Wela/The New York Times

Zulu dance troupe at 10-day Grahamstown festival, which brings in $15 million.

Considering van Graan's part-time job, the third was pretty self-lacerating. But one of his funniest lines, a crack at the new government, was: "Oh, but now every politician has fallen in love with opera. One trip to the Nico Theater and a cocktail afterward with the fat stars, and every ex-comrade is conscripted into the fight to save opera and ballet." (That is, unless they get mugged. Many artists at the festival lamented that rising crime is keeping people home at night, stifling live theater.)

His point, van Graan says, is that there is still plenty to write about. And if the world isn't watching the way it was before, that is good. Writers and actors here, he said, need less praise and more training. "For a while, everyone who came out of apartheid became a big hit overseas," he said. "They wanted to be big here too, and get big salaries. How does a director tell someone who thinks he's an international star to take notes?"

South Africa's art world is still small and rather isolated, and the pitfalls of instant stardom are obvious here.

Vincent Matsoe, a 25-year-old choreographer whose best-known dances echo bird life, Bali and Peru, and Trevor Makhoba, a 39-year-old Socialist Realist painter who tackles township problems like incest and violence as harshly as he attacks racism, both won the coveted Young Artist of the Year awards from Standard Bank, the festival's sponsor. Some critics said fame had put them in such demand that they are churning out work so fast that their techniques are becoming more naive, not less.

Celebrating Africa, and fusing it with the festival's former Eurocentric focus, was tried in many venues.

Janet Suzman, a South African who spent years on the London stage, directed an all-black cast in "The Good Woman of Sharkville," transposing Bertolt Brecht's drama "The Good Person of Szechuan" from China to a township with the theme intact: it is hard for a prostitute to keep her heart of gold when she is surrounded by greed and crime.

Boerqanga, a jazz group led by an Afrikaner accordionist and an African saxophonist, melded two kinds of rhythms. The racially mixed audience cheered and danced the result, although it had airs of polka in a Chicago jazz club. And Alistair Andrews, a bass player and music archivist from Cape Town, grumbled that "we blacks are further from whites than Americans are from Japanese, and it sounds like that."

And one of the sleeper hits of the festival was an integrated Zimbabwean dance troupe, Tumbuka, which did pieces about the genocide in Rwanda, and about going for the gold in the Olympics and in South African mines.

Attracting more talent from the rest of Africa is one of the goals of Professor Alan Crump, chairman of the festival committee, who thinks that is what sets his festival apart from rivals like Edinburgh's.

He brought in Mozambican dance troupes and Swazi crafts. "but it's tough," he said. "You can't pick up the phone — they may not have one. They sure don't have agents. If you want to do business, you spend twice as much because you must go there and get them."

Outside the fortress — the 1820 Settler's Monument, which houses theaters rather than statues — the festival spills into the streets, with everything from frantic Zulu dancing to serene landscapes of Namibia on display. It is the town's lifeblood, bringing in $15 million in 10 days in July.

Big city theaters, said Pieter-Dirk Uys, a satirist whose drag queen "Evita Bezuidenhout" act has played Grahamstown for 20 years now, do not allow experimentation any more, even if the authorities do. And critics, frustrated by their inability to dent imported movies and pop videos, find that "the only young gazelle left grazing in their sights is the new local play, cabaret, or song," Uys said.

That makes festivals like Grahamstown an artistic haven. And besides, Uys wrote in a brochure, "a few thousand of us all going to the theater together makes life tough for the mugger."

Simon Kreitem/Reuters

STICKY WICKET — Imran Khan, Pakistan's former cricket captain, leaving the High Court in London on Tuesday with his wife, Jemima Goldsmith. Khan is being sued for libel by former England cricket greats Ian Botham and Allen Lamb.

PEOPLE

THE princess who wants to be Britain's "queen of hearts" resigned Tuesday as head of nearly 100 charities, sending shock waves through a world that relies on glamourous patronage. **Princess Diana**, who was granted a preliminary decree of divorce from **Prince Charles** on Monday, said she would in future deal with just six charitable organizations. In a letter to the ones she is leaving, she said she had decided "with great sadness" that "someone else in the royal family may now be better suited to support your tremendous endeavors." Among the charities Diana is quitting are Relate, which advises couples whose marriages are failing, and the British Red Cross, of which she was vice president. "She has touched the heart of everyone she has met and she will be greatly missed," the Parkinson's Disease Society said.

□

A box office queen and the daughter of The King joined the mother of Britain's future king on Esquire's list of "Women We Love '96." **Sharon Stone**, dubbed "the last great broad," is featured on the cover of the current issue. **Lisa Marie Presley**, daughter of **Elvis** and the estranged wife of **Michael Jackson**, was also selected. **Princess Diana** made the list of about two dozen women, although Esquire calls her "very mannish, and, who knows, she may even be a guy." The women chosen are all "women of beauty and accomplishment," a magazine spokesman said.

□

A U.S. federal judge has done something for the so-called Queen of Mean: He waived **Leona Helmsley's** remaining nine months of probation for tax evasion, saying she had paid her debt to society. Asking for the waiver, Helmsley's lawyer cited her "advancing age and own uneven health" and said she had satisfied the terms of probation. Helmsley, 76, was convicted in 1989 of tax evasion and sent to federal prison in April 1992. That sentence was reduced from 2½ years to 21 months so she could care for her ailing husband, **Harry**. She served 1½ years in prison, a month in a halfway house, two months of house arrest in her Manhattan hotel, and most of three years' probation.

□

Anthony Quinn got negative reviews for his appearance in a judge's chambers. In Manhattan to end his 30-year marriage to **Iolanda Quinn**, the actor cursed out her lawyer during the meeting. After several outbursts — reportedly over how to divide the couple's art collection, worth an estimated $2.8 million — the judge warned Quinn, 81, that the case would go to trial if he didn't calm down. Last week, Quinn became the father of a son, **Ryan Benvin**, his 13th child. The baby's mother, **Kathy Benvin**, 34, is Quinn's former secretary. They also have a daughter, **Antonia**.

□

The conservative commentator **Rush Limbaugh** is quitting his 4-year-old syndicated TV show in September, sources at the show say. Limbaugh complained that his show has been getting later and later time slots. "We're seeing an increase in the number of networks," he said, "but I've been pushed later and later and in the process lost a lot of potential audience." Variety reports that Limbaugh is contemplating a move to the Fox Broadcasting Co. news division, where his former executive producer, **Roger Ailes**, has become chairman and chief executive officer.

□

Eric Douglas, the youngest son of **Kirk Douglas**, has been jailed for dropping out of a court-ordered drug program that he agreed to join when he pleaded guilty to disrupting an airplane flight. He now faces a possible sentence of up to 30 days in jail and a $5,000 fine. "He is trying," said Douglas's attorney, **Alexander E. Eisemann**. "He is failing at times; not unusual for an addict." Douglas, 37, let his dog out of its cage during the March 17 flight and was "loud and verbally abusive toward the crew," throwing blankets at flight attendants, an FBI complaint said.

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